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Trade under duress: Assessing South Africa's trade diversification toward China in response to U.S. tariff actions

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Trade under duress: Assessing South Africa's trade diversification toward China in response to U.S. tariff actions

Godfrey Kamutando[1], Vincent van der Westhuizen[2] and Matthew Stern[3]

Abstract

This paper examines the scope for South Africa (within SACU) to diversify its exports toward China in the context of rising global trade tensions and increased policy uncertainty, particularly following the imposition of tariffs by the United States. As traditional export markets become more volatile, the need for strategic diversification toward fast-growing economies has become more urgent. China, given its scale, sustained demand growth, and central role in global trade, presents a key opportunity for reorienting South Africa's export strategy. Using a combination of descriptive trade analysis and a partial equilibrium (SMART) modelling framework, the paper assesses the potential trade effects of tariff liberalisation under a potential SACU–China free trade agreement (FTA). The results indicate that the aggregate export response is relatively modest, with SACU's exports to China increasing by approximately 4%. This reflects the structure of existing trade, where the bulk of exports, primarily minerals and precious metals, already face low or zero tariffs, limiting scope for further expansion along the intensive margin. In contrast, stronger gains are observed in sectors where tariffs remain binding, particularly in agriculture and agro-processing. Products such as fruit, beverages, and selected food preparations show significant growth potential, suggesting that tariff reductions could support expansion along the extensive margin. However, the model also reveals a substantially larger increase in imports from China (16%), concentrated in manufacturing sectors, highlighting the risk of increased import penetration and pressure on domestic industries. Complementary indicators, including the trade complementarity index (TCI) and revealed comparative advantage (RCA), point to moderate but asymmetric trade compatibility. While South Africa's export structure aligns with China's demand, this alignment is narrow and commodity-driven, whereas China's export structure is more closely aligned with South Africa's import demand. The findings suggest that while an FTA with China could unlock targeted export opportunities, particularly in higher-value and agro-processed products, its overall impact will depend critically on domestic supply-side capabilities and the ability to support export diversification and industrial upgrading.

Keywords: Trade policy; Export diversification; Free trade agreements (FTAs), Integration; Partial equilibrium modelling

JEL classification: F13; F14; F15; O53

1 DNA Economics
2 DNA Economics
3 DNA Economics

EXECUTIVE SUMMARY

This paper examines the scope for South Africa (within SACU) to diversify its exports toward China in response to rising trade policy uncertainty and the imposition of tariffs by the United States. The analysis is motivated by a structural shift in the global trading environment, where unilateral trade actions and geopolitical tensions are increasingly shaping market access conditions. For South Africa, which has historically relied on preferential access to developed markets such as the U.S., this shift exposes vulnerabilities in its export model and reinforces the need to diversify towards faster-growing and more stable markets. China, given its scale, growth trajectory, and rising import demand, stands out as an obvious candidate for export diversification.

Despite the rapid expansion of trade with China over the past two decades, the bilateral relationship remains highly asymmetric. South Africa's exports are overwhelmingly concentrated in primary commodities, while imports from China consist largely of manufactured and higher-technology goods. This pattern reflects both underlying comparative advantages and the structure of tariffs in China, which favour raw material imports while imposing higher protection on agricultural and processed goods. As a result, China's role in South Africa's export growth has been driven primarily by expansion along the intensive margin rather than through diversification into new products.

The paper evaluates the potential impact of a SACU–China free trade agreement (FTA) using a partial equilibrium (SMART) model. The simulation results indicate that tariff liberalisation would generate a 4% increase in SACU exports to China. This relatively limited response is explained by the fact that most of South Africa's existing exports, particularly minerals and precious metals, already face low or zero tariffs in China, leaving little scope for further expansion through tariff reductions.

In contrast, the model identifies significantly stronger growth in sectors where tariffs are currently binding, particularly agriculture and agro-processing. Products such as fruit, beverages, cereals, and selected agro-industrial goods show the largest proportional gains, suggesting that tariff liberalisation could facilitate expansion along the extensive margin. There is also evidence of potential gains in semi-processed resource-based products, such as copper and aluminium, indicating some scope for value addition within South Africa's existing export basket.

On the import side, the results point to a substantially larger response, with imports from China increasing by approximately 16%. The strongest increases are in manufacturing sectors, including machinery, textiles, clothing, and metals. This reflects both the existing tariff structure, where many imports still face positive tariffs, and South Africa's dependence on Chinese manufactured goods. The findings suggest that tariff liberalisation would deepen South Africa's integration into China-centred value chains but could also intensify competitive pressures for domestic industries, particularly in labour-intensive sectors.

Beyond the simulation results, additional indicators, such as the trade complementarity index (TCI) and revealed comparative advantage (RCA), provide further insights into the structural dynamics of the bilateral relationship. These measures point to moderate but asymmetric complementarity: while South Africa's export structure aligns reasonably with China's demand, this alignment is narrow and concentrated in commodities. By contrast, China's export structure is strongly aligned with South Africa's import demand, reinforcing the likelihood that liberalisation would disproportionately stimulate imports.

Overall, the findings suggest that, while a SACU–China FTA could support export growth in specific sectors, particularly agriculture and selected value-added products, its aggregate effects are likely to be modest on the export side and more pronounced on the import side. The agreement would primarily reinforce existing trade patterns unless accompanied by complementary policies aimed at enhancing export competitiveness, diversifying South Africa's export base, and supporting industrial upgrading.

From a policy perspective, the results highlight the importance of a targeted and strategic approach to trade integration. Tariff liberalisation alone is insufficient to achieve meaningful diversification. Instead, maximising

the benefits of deeper engagement with China will require a broader policy framework that addresses supply-side constraints, improves standards compliance, and promotes movement into higher value-added products. Without such measures, there is a risk that deeper integration could entrench existing asymmetries and reinforce South Africa's role as a commodity exporter within global value chains.

1. Introduction

The global trading environment is currently characterised by policy uncertainty and unilateral trade actions, driven most prominently by the United States. Recently, the U.S. has reoriented its trade policy towards industrial protectionism, deploying broad-based tariffs as an instrument of strategic competition and domestic political signalling (Bandyopadhyay, Ferraro, and Bowe, 2025; Contractor, 2025; Ignatenko et al., 2025). These tariffs are targeted at both strategic competitors and long-standing partners (Ignatenko et al., 2025). South Africa has not been insulated from this shift, with the US initially imposing tariffs of 30% on South African exports (South African Government, 2025). For South Africa, these changes come with significant economic implications; the U.S. remains an important export destination, particularly for manufactured and agro-processed goods that benefit from preferential access under the African Growth and Opportunity Act (AGOA) (Edwards and Chien, 2025). Yet AGOA is a unilateral arrangement, and these preferences are therefore subject to the whims and criteria of the prevailing U.S. regime.

In February 2026, the US Supreme Court ruled that President Trump was not authorised to impose tariffs under the International Emergency Economic Powers Act (IEEPA), thus invalidating the 30% tariffs imposed on South Africa (Lowell, et al., 2026; The American Chamber of Commerce South Africa, 2026). However, while they have since been invalidated, the imposition of the 30% tariffs and the resulting impact on South Africa's trade with the US throughout 2025 demonstrates South Africa's vulnerability to U.S. policy decisions. Over the last year, South Africa has experienced periods of direct trade tension with the U.S., including threats of suspension from AGOA and sector-specific disputes, underscoring the fragility of its preferential access.

These external vulnerabilities are compounded by South Africa's underlying trade and industrial structure. Export performance has weakened over the past decade, with sluggish growth and declining competitiveness in key sectors (Edwards, 2024; Harvey, Morrison and Desai, 2025). The export basket remains heavily concentrated in mineral and resource-based commodities, while manufacturing exports, critical for employment generation, technological upgrading, and long-term growth, have stagnated in traditional markets. In this context, the imposition of tariffs by a major trading partner not only erodes preferential margins but also reinforces the broader susceptibility of the South African economy to external policy shocks. This has raised the need for South Africa to reduce dependence on volatile markets and reorient export capacity towards faster-growing regions.

Within this strategic context, China emerges as a salient opportunity for export diversification. China's economic rise and its deep integration into global value chains present significant market opportunities that South Africa has yet to fully harness. While China is already one of South Africa's largest trading partners, the bilateral trade relationship is characterised by a pronounced asymmetry: South Africa's exports are largely concentrated in resource-intensive goods, whereas imports from China consist of a wide range of manufactured products, machinery, and consumer goods.

The motivation for exploring deeper SACU–China trade integration in this paper is not an attempt to replace existing strategic trade relationships, particularly South Africa's preferential access to the United States market under the African Growth and Opportunity Act (AGOA). Rather, it reflects a broader strategy of export diversification and market expansion within an increasingly uncertain global trade environment. The United States continues to serve as an important destination for South Africa's higher value-added and diversified manufactured exports, supported by established value chains, relatively sophisticated consumer markets, and long-standing trade relationships that are not easily replicated in the short term. China, by contrast, plays a different but complementary role within SACU's external trade structure. It serves as a major source of demand for mineral and resource-based exports, while also representing a growing market for selected agricultural and agro-processed products. In this context, deeper engagement with China should be viewed

not as a substitute for existing Western export markets, but rather as part of a broader strategy aimed at diversifying export destinations, reducing vulnerability to external shocks, and expanding market opportunities across multiple global economic centres.

Although trade between China and South Africa has expanded rapidly over the past decade, this growth has not been accompanied by the meaningful diversification of South Africa's exports (Edwards and Jenkins, 2015; Munemo, 2013). Efforts to deepen SACU-China trade relations date back to 2004–2006, when initial discussions on a bilateral FTA first emerged (Monareng, 2016). However, negotiations lost momentum due to concerns over industrial asymmetries, particularly the vulnerability of South Africa's manufacturing sector to intensified import competition and the associated risks of deindustrialisation (Crul, 2013). Economic cooperation subsequently deepened through the South Africa-China Strategic Partnership and South Africa's accession to BRICS in 2011. These efforts culminated most recently in the negotiation of the Comprehensive Agreement on Economic Partnership for Shared Prosperity (CAEPA), the most ambitious trade architecture yet pursued between SACU and China, which progressed through formal negotiating rounds from 2021 and produced an Early Harvest Agreement in 2026 covering priority sectors including agriculture, processed minerals, and digital trade.[4] Against the backdrop of renewed global trade shocks, the key policy question is whether deeper SACU-China trade liberalisation can promote meaningful export diversification and improved market access for South African higher value-added goods without reinforcing existing structural asymmetries.

This paper addresses this question by assessing the potential trade effects of tariff liberalisation between SACU and China, with a particular focus on South Africa. Using a partial equilibrium (SMART) modelling framework, combined with complementary indicators of trade potential, the analysis provides a comprehensive analysis of both the magnitude and structure of the potential trade response.

The simulation results suggest that tariff liberalisation would yield only modest gains in exports, largely because SACU's exports are concentrated in a narrow set of resource-based products that already face low or zero tariffs in China. More meaningful expansion is confined to sectors where tariffs are currently binding, particularly in agriculture and selected semi-processed goods, indicating limited but targeted opportunities along the extensive margin. In contrast, the import response is significantly larger and more broadly distributed across the manufacturing sector, reflecting the strong alignment between China's export structure and SACU 's import demand. Complementary indicators reinforce these findings by showing that the alignment between SACU 's export supply and China's demand is narrow and commodity-driven. The results suggest that, in the absence of complementary supply-side reforms, deeper trade integration is likely to reinforce existing patterns of specialisation rather than drive export diversification.

The contribution of this paper is threefold. First, it provides an updated and policy-relevant assessment of the potential trade effects of a SACU–China FTA in the context of shifting global trade dynamics. Second, it integrates simulation results with structural indicators of trade potential to offer a more nuanced understanding of the constraints to diversification. Third, it contributes to the broader literature on South–South trade by highlighting the conditions under which deeper integration can support, or hinder, long-term development objectives.

The remainder of the paper is structured as follows. Section 2 reviews the relevant literature. Section 3 examines trade patterns between SACU and its key trading partners. Section 4 motivates the focus on China as a strategic trade partner. Section 5 analyses the prevailing tariff structures. Section 6 sets out the SMART

[4]https://www.thedtic.gov.za/minister-tau-signs-framework-agreement-on-economic-partnership-for-shared-prosperity-caepa/

modelling framework and presents the simulation results. Section 7 provides complementary estimates beyond the SMART results. Section 8 concludes, and Section 9 provides some policy implications.

2. Review of the literature

This study draws from three interconnected strands of the literature: trade diversification and export margins, the economics of preferential liberalisation, and South Africa's structural trade dynamics.

Trade diversification and export margins

A central question for South Africa is whether deeper engagement with China would broaden the composition of its exports or simply amplify existing commodity flows. This issue is best understood through the lens of the margins-of-trade literature. Hummels and Klenow's (2005) seminal contribution provides the foundational framework by distinguishing between the extensive margin, the range of products a country exports, and the intensive margin, the scale of exports within already-traded product lines. Their analysis demonstrates that larger and more successful exporters tend to outperform not by shipping greater volumes of the same goods, but by exporting a wider variety of products. This insight has significant implications for evaluating the nature and quality of export growth. Applied to South Africa's prospective diversification toward China, the Hummels–Klenow framework highlights a critical distinction: would diversification entail movement into new, potentially more sophisticated product categories, or merely an intensification of existing mineral- and resource-based export patterns? The answer carries substantial developmental consequences. Expansion along the extensive margin is typically associated with more durable and productivity-enhancing trade relationships, including greater potential for technological upgrading and participation in complex value chains. By contrast, growth concentrated along the intensive margin, especially in commodity-dependent economies, risks entrenching structural vulnerabilities and limiting long-term industrial transformation.

Imbs and Wacziarg (2003) and Cadot, Carrère and Strauss-Kahn (2011) provide a complementary empirical foundation for thinking about South Africa's diversification prospects in the context of a potential reorientation toward China. Building on earlier cross-country evidence, Imbs and Wacziarg (2003) show that the process of development is typically accompanied by substantial changes in the structure of production and trade, with economies diversifying across sectors before eventually re-specialising at higher income levels. This pattern implies that the timing and direction of diversification are central to long-run growth outcomes: countries that diversify "too little" or "too late" risk being locked into low-value activities, whereas those that manage to broaden their sectoral base at intermediate income levels create a platform for subsequent upgrading. Importantly, Cadot, Carrère and Strauss-Kahn (2011) distinguish between diversification along the product and destination dimensions and document that successful diversification is associated with movements into more sophisticated products rather than the proliferation of low-value items.

Dennis and Shepherd's 2011 contribution extends the Hummels-Klenow framework by demonstrating that trade costs disproportionately affect the extensive margin of trade, meaning that reducing barriers with new partners like China could substantially expand the variety of products traded rather than merely increasing volumes of existing trade flows. This finding carries important policy implications, suggesting that trade agreements focused on reducing non-tariff barriers, streamlining customs procedures, and addressing regulatory divergence may generate larger diversification benefits than simple tariff elimination, particularly for relationships where tariff levels are already relatively low.

Preferential liberalisation and FTA

A second body of literature relevant to this study concerns the welfare implications of preferential trade liberalisation and the ways in which geopolitical shocks reshape these impacts. In conventional analyses of bilateral trade agreements, the starting point is the classic distinction between trade creation and trade

diversion. Viner's (1950) framework distinguishes between trade creation, where preferential agreements lead to the replacement of high-cost domestic production with lower-cost imports, and trade diversion, where preferential agreements lead to the replacement of efficient third-country suppliers with less efficient partner suppliers that benefit from preferential access.

While the diversification literature clarifies the channels through which countries adjust their export baskets, the literature on free trade agreements offers a complementary perspective by examining how formal trade arrangements alter incentives, market access conditions, and the trajectory of diversification (Matto, Rocha, and Ruta, 2020). The empirical literature on FTAs has expanded substantially over the past two decades, driven by methodological advances that address the inherent endogeneity of FTA formation (Rodrik, 2018). Baier and Bergstrand (2007) provide the seminal contribution in this area by demonstrating that countries do not select FTA partners randomly; rather, they tend to negotiate agreements with partners with whom they would have traded more intensively even in the absence of formal liberalisation. Importantly, their work is built on the assumption that agreements arise primarily from economic complementarities and mutual welfare gains. This assumption is critical, as the magnitude and nature of FTA effects may differ substantially when agreements are formed under political or strategic duress rather than as a proactive response to some underlying comparative advantage. Whether "defensive" FTAs, entered into in response to deteriorating access to existing markets, such as the scenario South Africa faces with rising U.S. tariff pressures, yield comparable benefits remains an open empirical question.

Baier and Bergstrand's (2009) subsequent work further decomposes these effects, showing that FTA impacts vary systematically with country characteristics such as size, distance, and initial trade intensity. Agreements between countries that are geographically distant, markedly different in size, or weakly integrated ex ante tend to produce larger proportional gains. These heterogeneities suggest that tariff liberalisation between South Africa and China may yield substantial long-run effects, given their geographical separation and the relatively low share of manufactures in the current South African export basket.

However, the relationship between free trade agreements and trade outcomes is contested in the literature. A strand of research finds that FTAs expand bilateral trade flows and, over time, nudge member economies toward broader multilateral openness (Tinbergen, 1962; Freund, 2000; Ornelas, 2005; Baldwin and Wyplosz, 2006). An opposing body of work argues that preferential agreements distort trade patterns, entrench bilateral imbalances, and may ultimately harm non-member economies through discrimination (Levy, 1997; Li, 2006; Bhagwati, 1993). These differences extend to the diversification consequences of trade liberalisation. Several studies document a positive relationship between openness and export diversification (Fan, Li, and Yeaple 2015; Nguyen, 2016; Osakwe, Santos-Paulino, and Dagan, 2018; Zhang, Fu, and Zhu, 2021; Matthee and Santana-Gallego, 2017), while others find that the causal link is fragile, context-dependent, or even negative in the absence of supporting institutions (Rodrik, Subramanian and Trebbi, 2004; Wacziarg and Welch, 2008).

South African trade dynamics

Edwards and Jenkins (2015) provide essential context for understanding why South Africa's export diversification options are more constrained than aggregate trade data might suggest. Their analysis of Chinese import penetration in the South African manufacturing sector documents the progressive hollowing out of the industrial base across a wide range of sectors, showing that import competition from China has contributed not only to employment losses in specific industries but to broader deindustrialisation through input-output linkages and the erosion of industrial capacity. Their findings reinforce the central tension in the FTA debate: the sectors most likely to experience the largest import surges under a SACU–China FTA are precisely those sectors whose survival is most critical for South Africa's long-run industrialisation prospects.

However, few papers have empirically modelled the implications of forming a SACU-China FTA. Jensen and Sandrey (2006), applying a GTAP general equilibrium framework, find welfare gains for South Africa but significant adjustment costs in import-competing manufacturing sectors, with the distribution of gains skewed heavily towards South Africa and away from the smaller SACU members. Sandrey and Jensen (2009) confirm this asymmetry, finding that Botswana, Lesotho, Namibia, and Swaziland stand to gain very little from access to China while absorbing substantial import competition pressures from Chinese liberalisation on the SACU side. These findings are reinforced and extended by Munemo (2013), whose SMART partial equilibrium analysis, the closest methodological predecessor to the present paper, provides the most granular and directly comparable simulation results available. Munemo (2013) finds that full Chinese tariff liberalisation generates only a 5% increase in SACU exports to China, concentrated in sectors where South Africa already holds a comparative advantage. This paper both updates and recontextualises these findings.

3. Trends in SACU trade performance

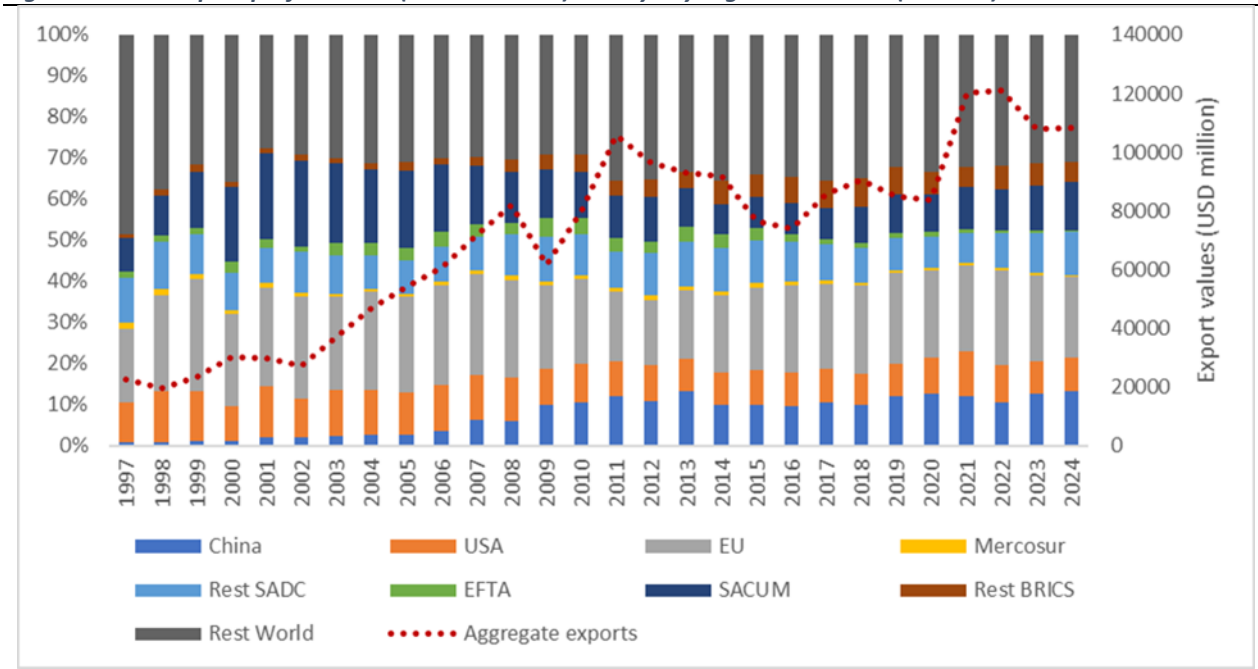
This section examines trends in SACU's trade performance, focusing on the evolution of both exports and imports across major trading partners.

3.1 Export performance

As illustrated in Figure 1, SACU's exports rose strongly and consistently until 2011 but have performed less well over the last decade. The EU and SADC remain the key destinations. The EU is SACU's largest market and following the implementation of the EU–SADC Economic Partnership Agreement (EPA) in 2018, the EU's share has stabilised within a relatively narrow band of approximately 20–23%. This suggests that the EPA has functioned primarily as a trade-preserving mechanism, maintaining preferential access and reducing uncertainty in an increasingly fragmented global trade environment.

The most notable shift over this period is the rise of China, which grew from a negligible share in 2000 to become SACU's top country export destination by 2024. In contrast, exports to the U.S. have become more volatile and relatively less important, with their share declining from about 12% in the early 2000s to 7–9% in recent years, partly due to stronger growth in other markets.

Figure 1: SACU export performance (in USD million) and by key regional markets (% share)



Source: Author's construction based on UN Comtrade data

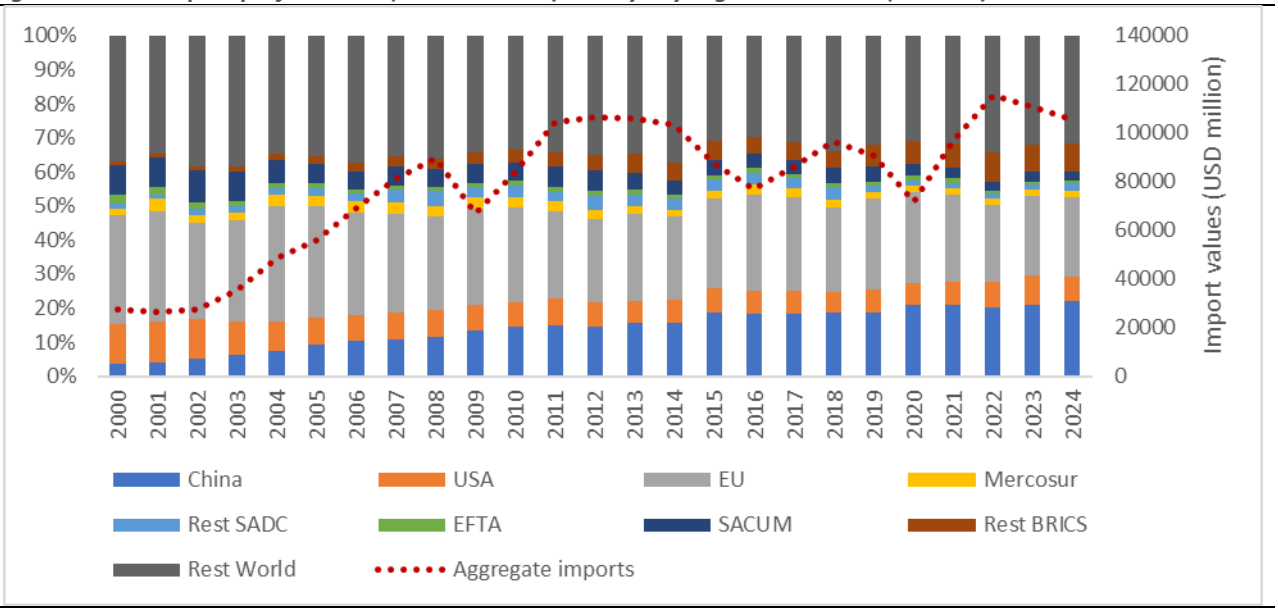
3.2 Import performance

South Africa accounts for the vast majority of total SACU imports, with its share exceeding 95% in the early 2000s, and falling somewhat to around 92% in recent years. Since 2000, SACU's imports have grown strongly in value, rising from about USD27.6 billion to over USD100 billion, reflecting higher domestic demand and deeper global integration. However, import shares reveal shifting sourcing patterns (see Figure 2).

China's rise is the most significant change, with its share increasing from around 4% in 2000 to 22% by 2024, to become South Africa's single largest country supplier. This reflects China's growing competitiveness in manufactured goods, its role as a global production hub, and SACU's increasing reliance on imported intermediate and final manufactured products. By contrast, the EU remains a major but declining source,

with its share falling from 32–34% in the early 2000s to 22–25% in recent years. The EU–SADC EPA (2018) appears to have stabilised, but not reversed, this downward trend. Similarly, the U.S. share has declined from 12% in 2000 to 7–9% in recent years.

Figure 2: SACU import performance (in USD million) and by key regional markets (% share)



Source: Author's construction based on UN Comtrade data

3.3 Performance of SACU trade agreements

Table 1 provides a comparative assessment of SACU's export and import shares before and after the implementation of key trade agreements, offering insight into the effectiveness of these FTAs in reshaping trade patterns. Both MERCOSUR and SACU–EFTA exhibit clear declines in export and import shares post-implementation, indicating weak complementarities and minimal effectiveness despite preferential access. The SACUM–UK agreement is the only case showing some increase in export share, pointing to some degree of trade consolidation following implementation, although import shares decline slightly. Overall, it would appear that these agreements have served to secure existing trade but have been unable to counter the rising importance of new and non-preferential trading partners, most notably China.

Table 1: SACU export and import shares before and after the FTA implementation.

	Year of implementation	SACU export share 1 year before implementation	SACU export share in 2024	SACU import share 1 year before implementation	SACU import share in 2023
EU-SADC-EPA	2018	17.76%	17.18%	24.33%	21.43%
MERCOSUR	2016	1.00%	0.42%	2.01%	1.76%
SACU-EFTA	2008	2.50%	0.42%	1.03%	0.81%
SACUM-UK	2021	8.60%	10.77%	2.99%	2.52%

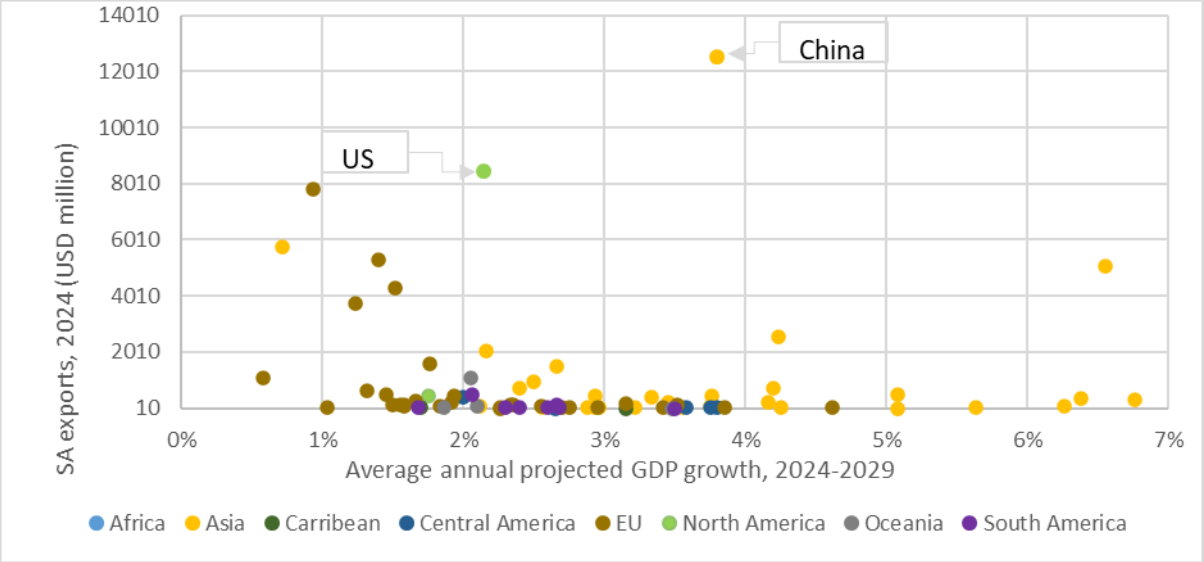
Source: Calculations based on UN Comtrade data.

4. Why China

Over the past two decades, China has emerged as one of the largest and fastest-growing economies globally. This rapid growth has been accompanied by a significant expansion in domestic consumption and industrial production, generating strong and persistent demand for imported raw materials, intermediate goods, and increasingly, higher-value agricultural and manufactured products. For South Africa, this positions China as a critical demand anchor, particularly given its resource endowment and export profile.

As illustrated in Figure 3, there is a clear positive association between partner-country GDP growth prospects and South Africa's export performance, with higher-growth markets tending to be associated with stronger export outcomes. China stands out in this regard, combining relatively high projected GDP growth (5%) with strong export absorption capacity, positioning it in the upper range of both growth and demand among South Africa's trading partners. In contrast, traditional partners such as the U.S. are clustered at lower growth rates (around 2%), despite still supporting relatively high export values. This divergence highlights a key structural shift: future export growth opportunities are increasingly concentrated in faster-growing emerging markets rather than mature, slower-growing economies.

Figure 3: South Africa's exports and partner projected growth rates



Source: Author's construction based on UN Comtrade and IMF data

Notes: Only shows partners where SA exports are substantial (at least USD 10 million)

China is already South Africa's largest trading partner, with strong and sustained demand for minerals and energy driven by industrialisation and integration into global value chains. Its large and resilient market makes it strategically important for export growth and diversification. Beyond this, China's economic shift toward consumption creates new opportunities for higher-value exports, such as agro-processing and manufactured goods. An FTA could help unlock this potential by reducing trade barriers and improving market access. China's role as a global manufacturing hub also benefits South Africa on the import side, as cheaper intermediate goods can lower production costs, boost competitiveness, and support participation in value chains.

Geopolitically, closer ties with China support South Africa's diversification strategy amid rising uncertainty in traditional markets, offering more stable and predictable access than unilateral arrangements. Additionally, China's broader engagement in Africa (e.g., BRI and FOCAC) enhances infrastructure and trade facilitation, further strengthening the case for an FTA.

4.1 A closer look at South Africa and China trade

Table 2 presents the composition of SACU countries' trade with China. On the export side, total SACU exports to China increased from USD 8.3 billion in 2010 to USD 13.7 billion in 2024, with South Africa accounting for over 90% of this trade in both periods. A similar pattern is observed on the import side, where SACU imports from China nearly doubled from USD 12.1 billion to USD 23.4 billion, with South Africa consistently representing more than 90% of total imports. This concentration indicates that SACU–China trade is effectively South Africa–China trade, with the remaining member states playing only a marginal role in aggregate terms.

Table 2: Trade between SACU countries and China

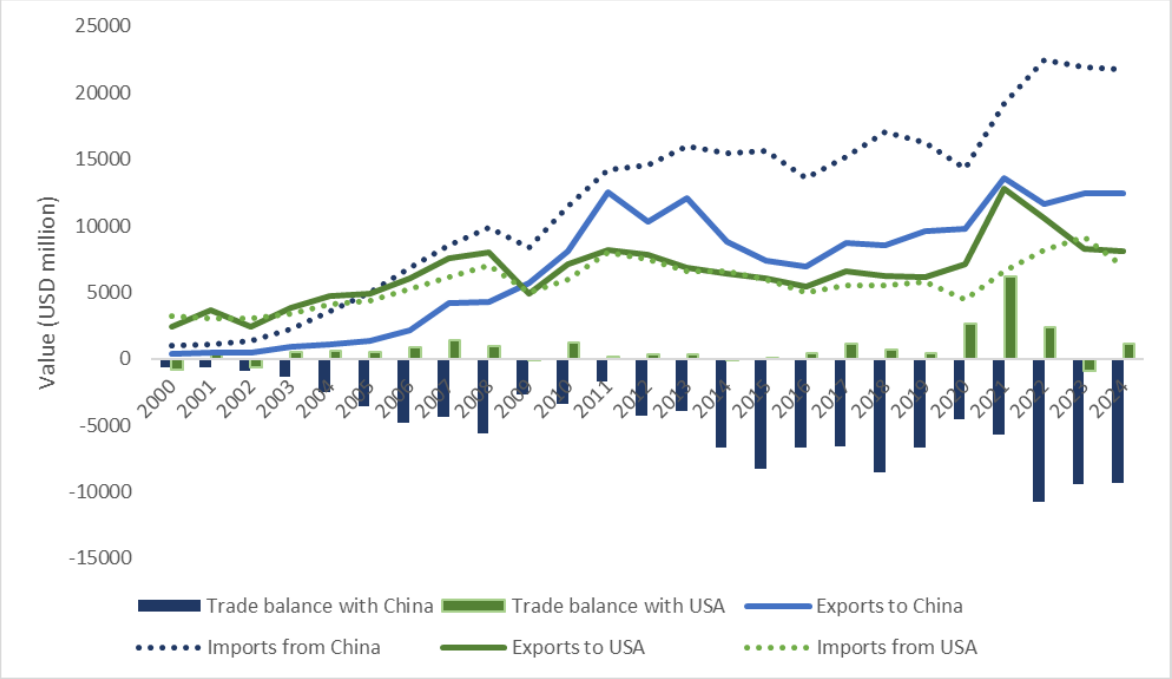
	Exports				Imports			
	2010		2024		2010		2024	
	Value (USD million)	Share (%)	Value (USD million)	Share (%)	Value (USD million)	Share (%)	Value (USD million)	Share (%)
Botswana	35	0.4%	342	2.5%	323	2.7%	312	1.3%
Eswatini	4	0.0%	1	0.0%	46	0.4%	185	0.8%
Lesotho	1	0.0%	0	0.0%	33	0.3%	193	0.8%
Namibia	170	2.1%	944	6.9%	205	1.7%	978	4.2%
South Africa	8066	97.5%	12412	90.6%	11460	95.0%	21769	92.9%
Total	8277	100.0%	13699	100.0%	12066	100.0%	23437	100.0%

Source: Author's construction based on UN Comtrade data

Figure 4 compares bilateral trade dynamics between South Africa and China versus the United States. It shows two very different trajectories in terms of scale, balance, and structural implications. Since the early 2000s, trade with China has expanded rapidly on both the export and import sides, but this growth has been accompanied by a persistent and widening trade deficit. In contrast, trade with the U.S. exhibits a more balanced pattern. While exports to the U.S. have grown moderately, from approximately USD 2.4 billion in 2000 to USD 8 billion in 2024, imports have increased at a slower pace, resulting in periods of trade surplus for South Africa.

Comparatively, these trends show a structural asymmetry in South Africa's external trade. China represents a high-growth, high-volume trading partner, but one that is associated with persistent trade deficits and limited value addition on the export side. The United States, by contrast, is a lower-growth but higher-quality market, supporting more diversified exports and offering the potential for trade surpluses.

Figure 4: Trade balance between South Africa, China and USA



Source: Author's construction based on UN Comtrade data

4.2 The composition of South Africa's exports to China

Table 3 presents South Africa's top 30 product exports to China at the HS6-digit level. The top export products are dominated by mineral commodities, with iron ore alone accounting for approximately 27% of total exports to China, followed by chromium ores (18%) and manganese ores (14%). Collectively, the top three products account for nearly 60% of South Africa's exports to China, highlighting a high degree of concentration.

Several key commodities exported to China—such as iron ore, manganese, and coal—also represent significant shares of South Africa's total exports to the world, confirming that trade with China is largely an extension of the country's existing comparative advantage rather than a driver of new specialisation. However, in some cases (e.g. copper anodes and certain mineral concentrates), China absorbs a disproportionately large share of South Africa's exports, suggesting increasing bilateral dependence in specific commodity chains.

At the same time, China's share in global imports of these products is relatively small (except for iron and copper ore), indicating that South Africa is competing in highly fragmented global markets where China is not necessarily the dominant importer across all categories. This suggests that South Africa may already have saturated its exposure to China, in some of these products, and scope for further export expansion is not limited by demand from China. This narrative is further supported by the last two columns. The last two columns show both the scale of China's import demand and South Africa's penetration in those markets. South Africa commands high shares in a narrow set of resource-based products (e.g. chromium, manganese, ferro-alloys), indicating strong competitiveness but limited diversification. However, in several products where China's import demand is large, South Africa's share remains low, pointing to under-exploited opportunities constrained by supply-side factors rather than market access.

Table 3: Top 30 South Africa product exports to China, HS6-digit level, 2024

Product Code	Description	SA exports to China (USD million), 2024	Share of total SA exports to China, 2024	SA exports to the world (USD million), 2024	Share of total SA exports to the world, 2024	China's share of its total World imports, 2024	China imports from the world (USD million)	Share of SA exports in China imports
260111	Iron ores and concentrates; non-agglomerated	3315	26.73%	6331	5.79%	5.26%	129383	3%
261000	Chromium ores and concentrates	2246	18.11%	4669	4.27%	0.24%	5970	38%
260200	Manganese ores and concentrates, including ferruginous manganese ores and concentrates with a manganese content of 20% or more, calculated on the dry weight	1796	14.48%	3090	2.82%	0.18%	4405	41%
720241	Ferro-alloys; ferro-chromium, containing by weight more than 4% of carbon	1347	10.86%	3752	3.43%	0.18%	4389	31%
740200	Copper; unrefined, copper anodes for electrolytic refining	384	3.10%	384	0.35%	0.34%	8370	5%
261510	Zirconium ores and concentrates	383	3.09%	610	0.56%	0.06%	1368	28%
080290	Other nuts, fresh or dried, whether or not shelled or peeled	294	2.37%	450	0.41%	0.03%	697	42%
470200	Wood pulp; chemical wood pulp, dissolving grades	294	2.37%	1064	0.97%	0.16%	3901	8%
260800	Zinc ores and concentrates	251	2.02%	295	0.27%	0.18%	4379	6%
740319	Copper; refined, unwrought, n.e.c. in item no. 7403.1	240	1.94%	253	0.23%	0.10%	2502	10%
510111	Wool; (not carded or combed), greasy (including fleece-washed wool), shorn	193	1.56%	252	0.23%	0.08%	1949	10%
711019	Metals; platinum, semi-manufactured	172	1.39%	2174	1.99%	0.02%	404	43%
740311	Copper; refined, unwrought, cathodes and sections of cathodes	136	1.09%	191	0.17%	1.41%	34558	0%
260300	Copper ores and concentrates	94	0.76%	226	0.21%	2.74%	67332	0%
261400	Titanium ores and concentrates	77	0.62%	591	0.54%	0.06%	1519	5%
280469	Silicon; containing by weight less than 99.99% of silicon	59	0.48%	98	0.09%	0.00%	121	49%
253090	Mineral substances; n.e.c. in chapter 25	59	0.48%	59	0.05%	0.21%	5200	1%
261690	Precious metal ores and concentrates; (excluding silver)	58	0.47%	1003	0.92%	0.37%	9022	1%
270112	Coal; bituminous, whether or not pulverised, but not agglomerated	53	0.43%	5741	5.25%	1.44%	35372	0%
711021	Metals; palladium, unwrought or in powder form	48	0.39%	1974	1.80%	0.04%	920	5%
80510	Fruit, edible; oranges, fresh or dried	43	0.35%	758	0.69%	0.01%	185	23%
720249	Ferro-alloys; ferro-chromium, containing by weight 4% or less of carbon	41	0.33%	44	0.04%	0.00%	53	77%
740321	Copper; copper-zinc base alloys (brass) unwrought	27	0.22%	27	0.02%	0.04%	877	3%
080520	Mandarins, clementines, wilkings and similar citrus hybrids, fresh or dried	25	0.20%	587	0.54%	0.00%	80	31%
440320	Wood in the rough (whether or not stripped of bark or sapwood, or roughly squared), coniferous	25	0.20%	42	0.04%	0.14%	3391	1%
711029	Metals; palladium, semi-manufactured	25	0.20%	487	0.44%	0.00%	62	40%
711041	Metals; iridium, osmium, ruthenium, unwrought or in powder form	24	0.19%	1018	0.93%	0.01%	357	7%
510530	Fine animal hair, carded or combed.	23	0.19%	60	0.05%	0.00%	104	22%

Product Code	Description	SA exports to China (USD million), 2024	Share of total SA exports to China, 2024	SA exports to the world (USD million), 2024	Share of total SA exports to the world, 2024	China's share of its total World imports, 2024	China imports from the world (USD million)	Share of SA exports in China imports
230120	Flours, meals and pellets; of fish or of crustaceans, molluscs or other aquatic invertebrates	23	0.18%	88	0.08%	0.13%	3223	1%
740313	Copper; refined, unwrought, billets	23	0.18%	23	0.02%	0.00%	106	21%

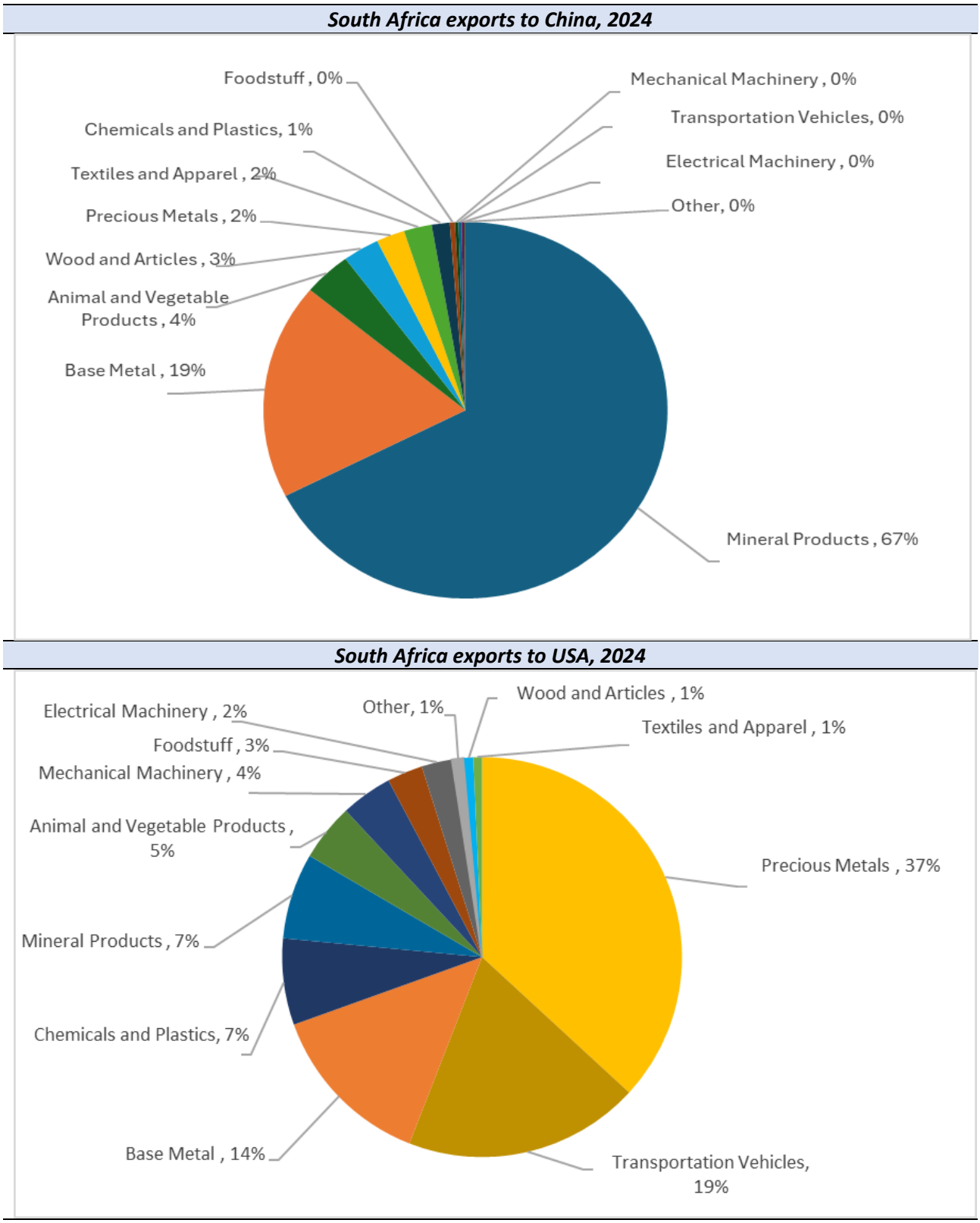
Source: Author's construction based on UN Comtrade data

Again, it is instructive to compare South Africa's exports to China to those of the U.S. Exports to China are overwhelmingly resource-based, with mineral products alone accounting for 67% of total exports (see Figure 5), followed by base metals. By contrast, South Africa's exports to the USA are significantly more diversified, with a strong presence of value-added manufactured goods, particularly vehicles, as well as a substantial share of precious metals, chemicals, and machinery.

A potential FTA with China is therefore unlikely to generate large-scale diversification gains. Many of these products already face low tariffs, and further liberalisation would primarily reinforce existing trade patterns rather than shift South Africa into higher value-added exports. While there may be some scope for expansion in agriculture and agro-processing, the overall export response is likely to remain narrow without complementary supply-side reforms.

On the other hand, the exposure of South Africa's more diversified and manufacturing-intensive exports to the United States makes them particularly vulnerable to high tariffs under a protectionist US trade regime (e.g. Trump-era tariffs). This raises the risk of export displacement and deindustrialisation pressures, especially if preferential access (e.g. under AGOA) is weakened.

Figure 5 : Comparison of the South African export basket to China and the USA, 2024



Source: Author's construction based on UN Comtrade data

4.3 The composition of South Africa's imports from China

South Africa's import structure from China is highly indicative of deep integration into China-centric manufacturing supply chains, with a strong concentration in electronics, machinery, and intermediate industrial inputs. The top imported products are dominated by high- and medium-technology manufactured

goods, particularly telecommunications equipment, data processing machines, and electrical components (see Table 4). Smartphones alone account for over 6% of imports from China, with China supplying 75% of South Africa's total imports of this product. Similarly, automatic data processing machines (computers) account for over 4% of imports from China, with an exceptionally high dependence—around 90% of South Africa's imports of these goods originate from China. This pattern is repeated across a range of products, including lithium-ion batteries (93%), solar panels (97%), and air conditioning units (92%), indicating a near-monopolistic supply position for China in several critical technology and energy-related sectors.

A key structural feature is that China's dominance is not limited to final consumer goods but extends strongly into intermediate and capital goods, such as electrical converters, machinery, construction equipment, and industrial components. For example, China supplies 67% of electrical static converters and 77% of wind-powered generating sets imported by South Africa. This highlights China's central role not only in consumption but also in production processes within the South African economy.

The composition of imports contrasts sharply with South Africa's exports to China, which are dominated by primary commodities. This asymmetry highlights a classic North–South (or resource–manufactures) trade pattern, where South Africa exports raw materials and imports value-added manufactured goods. The fact that several imported products, such as electronics, batteries, and machinery, are associated with higher technological content further reinforces the notion of unequal positioning within global value chains.

Table 4: Top 30 SA product imports from China, HS6-digit level, 2024

Product HS 6-digit Code	Product Description	Imports from China (USD million)	SA World Imports (USD million)	share in total imports from China	Share in the SA world product imports	Share of world product imports in total SA imports	China imports share in total SA imports
851713	Telephone sets; smartphones for cel …	1346	1799	6.18%	75%	1.8%	1.33%
847130	Automatic data processing machines; …	882	978	4.05%	90%	1.0%	0.87%
999999	Commodities not specified according …	553	8160	2.54%	7%	8.1%	0.55%
851762	Communication apparatus (excluding …	447	949	2.05%	47%	0.9%	0.44%
850440	Electrical static converters	420	629	1.93%	67%	0.6%	0.42%
850760	Electric accumulators; lithium-ion, …	412	444	1.89%	93%	0.4%	0.41%
870322	Vehicles; with only spark-ignition …	384	1476	1.76%	26%	1.5%	0.38%
850231	Electric generating sets; wind-powe …	376	486	1.73%	77%	0.5%	0.37%
854143	Electrical apparatus; photosensitiv …	331	341	1.52%	97%	0.3%	0.33%
640299	Footwear; n.e.c. in heading no. 640 …	244	327	1.12%	75%	0.3%	0.24%
842952	Mechanical shovels, excavators and …	212	382	0.97%	55%	0.4%	0.21%
870323	Vehicles; with only spark-ignition …	193	563	0.89%	34%	0.6%	0.19%
851779	Communication apparatus; parts, oth …	193	220	0.88%	88%	0.2%	0.19%
847150	Units of automatic data processing …	139	625	0.64%	22%	0.6%	0.14%
640419	Footwear; (other than sportswear), …	122	188	0.56%	65%	0.2%	0.12%
848180	Taps, cocks, valves and similar app …	112	266	0.52%	42%	0.3%	0.11%
841510	Air conditioning machines; comprisi …	109	119	0.50%	92%	0.1%	0.11%
401120	Rubber; new pneumatic tyres, of a k …	108	266	0.50%	41%	0.3%	0.11%
843149	Machinery; parts of machines handli …	102	396	0.47%	26%	0.4%	0.10%
950300	Tricycles, scooters, pedal cars and …	101	134	0.46%	75%	0.1%	0.10%

Product HS 6-digit Code	Product Description	Imports from China (USD million)	SA World Imports (USD million)	share in total imports from China	Share in the SA world product imports	Share of world product imports in total SA imports	China imports share in total SA imports
380893	Herbicides, anti-sprouting products …	101	200	0.46%	50%	0.2%	0.10%
200979	Juice; apple, of a Brix value excee …	100	101	0.46%	98%	0.1%	0.10%
392690	Plastics; other articles n.e.c. in …	95	258	0.44%	37%	0.3%	0.09%
721012	Iron or non-alloy steel; flat-rolle …	92	126	0.42%	73%	0.1%	0.09%
844399	Printing machinery; parts and acces …	87	297	0.40%	29%	0.3%	0.09%
291736	Acids; aromatic polycarboxylic acid …	87	131	0.40%	66%	0.1%	0.09%
760429	Aluminium; alloys, bars, rods and p …	84	91	0.39%	92%	0.1%	0.08%
50400	Animal products; guts, bladders and …	82	137	0.38%	60%	0.1%	0.08%
720839	Iron or non-alloy steel; in coils, …	81	102	0.37%	79%	0.1%	0.08%
540752	Fabrics, woven; containing 85% or m …	81	86	0.37%	94%	0.1%	0.08%

Source: Author's construction based on UN Comtrade data

5. SACU Tariff Structure

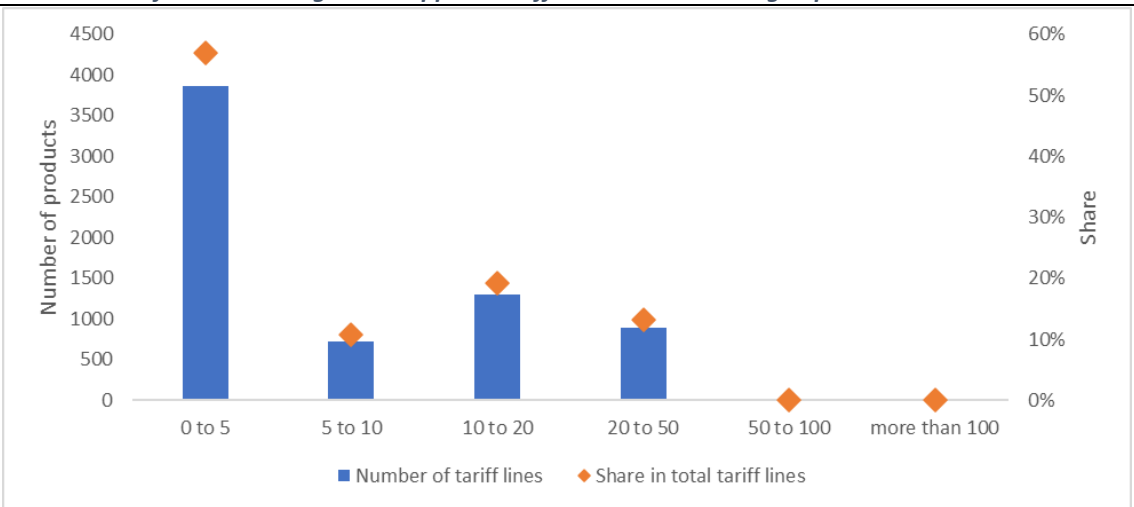
5.1 Tariff structure of SACU imports from China

As shown in Figure 6, SACU's tariff structure on current imports from China is generally low, with nearly half of tariff lines in the 0–5% range, indicating a relatively liberal regime. Higher tariffs (20–50%) exist but are concentrated in apparel and textiles (as shown in Table 5 and Table A1 in the annex, which presents disaggregated data at the HS2-digit level).

As shown in Table 5, the tariff structure applied by SACU on imports from China reveals a clear pattern of selective protection, with significantly higher tariffs concentrated in labour-intensive consumer goods and relatively low tariffs applied to capital goods, machinery, and industrial inputs. This pattern reflects both SACU's industrial policy priorities and the underlying structure of its import dependence on Chinese manufactured products. The highest levels of protection are observed in apparel and related products, where the simple average MFN tariff reaches 25.5%, and the weighted MFN average tariff rises to 28.4%, with some tariff lines reaching as high as 45%. Despite these high tariff barriers, imports from China in this category remain substantial at USD 1.7 billion, accounting for 8% of total imports from China. Textiles similarly exhibit relatively high tariff protection. Food products, plastics, furniture, and other consumer-oriented manufactured goods also face moderate to high tariffs.

In contrast, tariffs on machinery, electrical equipment, chemicals, hydrocarbons, and transport equipment are comparatively low. Electrical machinery, which represents by far the largest import category from China at USD 8.1 billion (38% of total imports), faces a weighted average tariff of only 1.1%. Mechanical machinery, accounting for a further 18% of imports, is subject to tariffs of less than 1%. This indicates that SACU economies rely heavily on imported machinery, equipment, and industrial inputs from China, and therefore maintain relatively liberal tariff regimes in these sectors to reduce production costs, support industrial activity, and facilitate access to technology and capital goods. See Table A1 (in the annex), which provides a more disaggregated SACU import tariff structure at the HS2-digit level.

Figure 6: Overview of SACU HS 2-digit MFN applied tariffs on Chinese existing imports



Source: Author's construction based on UN Comtrade data

Table 5: Average tariffs on SACU imports from China, 2024

Products	Simple Average MFN Tariffs (%)	Weighted Average MFN (Tariffs)	Minimum Rate	Maximum Rate	Nbr of Total Lines	Imports from China (in million USD)	Share of total imports from China
Apparel (Including Footwear, Headgear, Art. of Feathers, Fur, Leather Products)	25.5	28.4	0	45	537	1660.9	8%
Textiles (Including Raw Skins and Leather)	12.4	13.8	0	30	517	475.0	2%
Foodstuff (Beverages, Spirits, Vinegar, Tobacco, etc.)	11.8	9.2	0	45	353	255.8	1%
Plastics and Articles Thereof	7.8	12.3	0	43	463	923.2	4%
Wood and Articles Thereof (including Paper & Articles, Furniture)	7.5	7.2	0	30	507	534.4	2%
Glass, Ceramics and Articles of Stone, Cement, etc.	7.1	7.4	0	30	229	288.5	1%
Vegetable Products (including Animal and Vegetable Fats)	6.1	4.3	0	35	319	59.8	0%
Precious Metals (Pearls, Jewelry, Coin, Precious Stones, etc.)	5.5	14.5	0	20	47	39.8	0%
Base Metal and Articles Thereof	4.5	5.5	0	30	771	1751.0	8%
Live Animals and Animal Products	3.9	6.1	0	25	84	96.8	0%
Transportation Vehicles	3.7	5.7	0	30	257	1118.8	5%
Other	3.6	6.5	0	45	131	353.0	2%
Hydrocarbons	3.5	0.6	0	20	27	441.5	2%
Chemicals and Parachemical Products	3.4	3.9	0	20	1096	1427.5	7%
Electrical Machinery (including Optical, Medical,Photographic Instruments)	2.2	1.1	0	25	637	8066.7	38%
Mechanical Machinery (including Clocks and Music Instruments)	0.5	0.6	0	30	736	3973.6	18%

Source: Author's construction based on UN Comtrade data

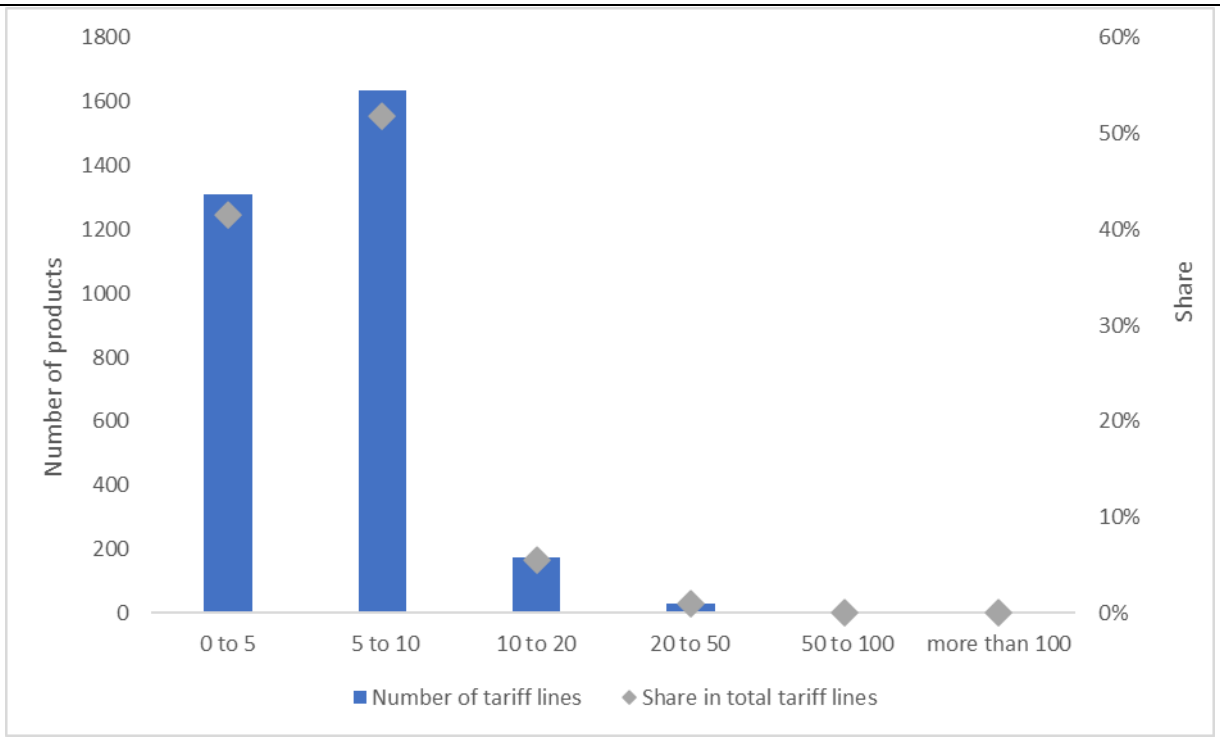
5.2 Tariff structure of SACU exports to China

China's tariff structure on SACU exports is generally low, with most tariff lines in the 0–10% range (see Figure 7). However, this masks clear sectoral asymmetries: primary commodities—such as minerals and metals—face near-zero tariffs, while agriculture and processed goods face significantly higher protection. The relatively small number of tariff lines above 10% suggests that protection is applied selectively rather than uniformly.

A closer examination of China's tariff profile (see Table 6 and Table A2 in the annex) reveals that China applies relatively low tariffs on the sectors that currently account for the overwhelming majority of SACU exports. Precious metals, which constitute approximately 48% of SACU exports to China, face a weighted average tariff of only 0.6%, while mineral products, accounting for a further 36% of exports, face tariffs of just 1.4%. Consequently, the scope for further tariff-driven expansion in these sectors under an FTA is inherently low.

The most heavily protected sectors are concentrated primarily in agriculture and agro-processing products. Vegetable products face the highest average tariff protection, with both simple and weighted average tariffs around 16%, and some tariff lines reaching as high as 65%. Food products similarly face relatively elevated tariffs, with weighted average tariffs approaching 14% and maximum rates of 57%. These high levels of protection suggest that China continues to maintain significant barriers in sensitive agricultural and food-related sectors. At the same time, these sectors account for only a very small share of SACU's exports to China, indicating that tariff barriers may be constraining export penetration in areas where SACU could potentially diversify its export basket. See Table A2 in the annex for disaggregated tariff analysis on SACU exports to China.

Figure 7: Overview of SACU HS2-digit MFN applied tariffs on Chinese imports



Source: Author's construction based on UN Comtrade data

Table 6: Average tariffs applied by China on imports from SACU (SACU exports to China), 2024

Products	Simple average MFN tariffs	Weighted average MFN tariffs	Minimum Rate	Maximum Rate	Nbr of Total Lines	Imports from South Africa (USD million)	Share of total imports from South
Vegetable Products (including Animal and Vegetable Fats)	16.0	16.1	0	65	168	688.4	2%
Foodstuff (Beverages, Spirits, Vinegar, Tobacco, etc.)	11.3	13.7	0	57	86	75.8	0%
Live Animals and Animal Products	9.3	9.1	0	12	28	28.1	0%
Mechanical Machinery (including Clocks and Music Instruments)	8.8	8.7	0	25	444	21.6	0%
Glass, Ceramics and Articles of Stone, Cement, etc.	8.7	8.2	0	17	57	1.5	0%
Plastics and Articles Thereof	8.5	8.2	0	15	139	29.2	0%
Textiles (Including Raw Skins and Leather)	7.4	8.6	0	40	138	232.7	1%
Apparel (Including Footwear, Headgear, Art. of Feathers, Fur, Leather Products)	7.3	7.3	4	20	233	2.0	0%
Chemicals and Parachemical Products	6.4	6.5	0	50	490	186.9	1%
Hydrocarbons	6.1	4.6	3	8	13	258.6	1%
Base Metal and Articles Thereof	6.0	5.1	0	9	294	3138.5	10%
Other	5.0	5.7	0	20	60	0.7	0%
Transportation Vehicles	4.9	6.3	1	15	148	30.0	0%
Precious Metals (Pearls, Jewelry, Coin, Precious Stones, etc.)	3.9	0.6	0	21	54	15257.4	48%
Wood and Articles Thereof (including Paper & Articles, Furniture)	3.6	3.9	0	12	231	406.6	1%
Electrical Machinery (including Optical, Medical,Photographic Instruments)	3.5	1.6	0	15	519	17.1	0%
Mineral Products (except hydrocarbons)	1.8	1.4	0	5	53	11595.7	36%

Source: Author's construction based on UN Comtrade data

6. Simulating the trade response to a potential SACU–China FTA

This section of the paper employs a product-level partial equilibrium model to simulate the trade-related effects (including trade flows, trade creation, trade diversion, and tariff revenue changes) for SACU arising from tariff liberalisation under a potential free trade agreement with China.

6.1 Modelling framework

The analysis draws on the SMART model, a widely used partial equilibrium simulation framework developed by the World Bank and UNCTAD to assess the potential trade effects of tariff changes. The model is grounded in standard trade theory and is designed to estimate how changes in tariffs affect bilateral trade flows, government revenue, and welfare at a highly disaggregated product level. It has been extensively applied in the evaluation of free trade agreements, particularly where the focus is on short- to medium-term impacts of tariff liberalisation. The SMART model simulates import changes in response to preferential tariff reductions from the perspective of the importer.

At its core, the SMART model simulates how import demand responds to changes in relative prices following tariff reductions. When tariffs are reduced or eliminated, the price of imported goods falls relative to domestically produced goods and imports from other countries. This triggers two key adjustment mechanisms. The first is trade creation, which occurs when lower prices increase total import demand, leading to a substitution away from domestic production toward imports. This effect is generally welfare-enhancing, as consumers benefit from lower prices and greater variety. The second is trade diversion, which arises when imports shift from non-preferred trading partners to those benefiting from tariff preferences. While this increases imports from partner countries, it may reduce welfare if trade is diverted away from more efficient suppliers.

In this study, the model is implemented in two complementary steps. First, and more critically, the analysis focuses on SACU exports to China, modelling how Chinese tariff reductions affect export demand from SACU. In this case, the simulation is conducted from the perspective of China as the importing market. The removal of tariffs lowers the landed price of SACU exports relative to both domestic Chinese production and competing foreign suppliers. This generates two key effects: (i) export expansion (trade creation), as lower prices stimulate additional demand for SACU products in China, and (ii) export diversion (preference erosion for competitors), where SACU gains market share at the expense of other exporting countries that do not benefit from preferential access. The magnitude of this response depends critically on the initial tariff levels, the elasticity of import demand in China, and the degree of substitutability between SACU exports and competing suppliers.

Second, it simulates changes in SACU imports from China, capturing the conventional channels of (i) trade creation, arising from lower prices of Chinese imports relative to domestic goods, and (ii) trade diversion, whereby imports shift from other trading partners toward China due to preferential tariff reductions. These effects provide insight into potential import penetration and tariff revenue implications for SACU.

A key strength of the SMART framework is that it can be applied at a highly disaggregated level, typically at the HS 6-digit product classification, thereby enabling granular, product-level analysis of trade responses to tariff changes. This makes it particularly useful for identifying which products and sectors are most likely to be affected by a trade agreement. However, as a partial equilibrium model, it focuses on individual markets in isolation and does not account for broader economy-wide interactions, such as intersectoral linkages, income effects, or dynamic adjustments over time. As such, the results are best interpreted as static, short- to medium-term estimates of trade responses.

The results are sensitive to key parameter assumptions, particularly import demand and substitution elasticities. Consistent with the literature, elasticity estimates at the HS 6-digit level are drawn from Kee et al. (2008). Finally, the choice of tariff measure is important. Ideally, transaction-level tariff data, reflecting actual duties paid after exemptions, would be used to capture effective protection. However, due to data limitations, the analysis relies on applied statutory tariffs, which may overstate the magnitude of trade responses and tariff revenue effects.

6.2 Simulation results: Impact of the FTA on SACU exports

Table 7 presents the impact of full tariff liberalisation by China on all of SACU's exports, measured as a change in China's imports from SACU at the HS 2-digit level. The results include both trade creation (increased demand due to lower prices) and trade diversion (shifts away from competing suppliers). At an aggregate level, the results indicate a relatively modest response, with SACU total exports to China increasing by approximately USD 1.2 billion (4%). South Africa accounts for the largest change in exports (USD 1.1 billion), accounting for 92% of the change in total SACU exports.[5] This limited aggregate effect reflects the structure of existing trade: a large share of SACU's exports to China (especially by South Africa), particularly in precious metals (HS71) and ores and metals more broadly, already face very low or zero tariffs.

In contrast, the most pronounced responses are observed in agriculture and agro-processing sectors, where initial tariff barriers are relatively high. Products such as cereals (177% increase), beverages (50%), tobacco (1798%), and live plants (449%) exhibit exceptionally large percentage increases, albeit from relatively low base levels. Fruit and nuts (40%), fish and seafood (25%), and oil seeds (97%) also show a strong response.

Some gains are also seen in select semi-processed and industrial inputs, particularly metals and related products. For instance, iron and steel articles exports increase by 28%. Similarly, aluminium (13%) and copper products (5%) exhibit strong growth.

There is also evidence of moderate gains in light manufacturing and chemicals, including plastics, rubber, dyes, and machinery, generally in the range of 10–30%. However, these sectors remain relatively small in absolute terms.

The decomposition of the simulated trade effects reveals that the increase in China's imports from SACU is driven primarily by trade creation rather than trade diversion, although the relative importance varies across sectors. Trade creation is generally associated with welfare gains, as tariff reductions lower import prices and enable domestic consumers to access a greater quantity and variety of goods. At the same time, the resulting increase in import penetration can intensify competitive pressures on domestic firms operating in import-competing sectors, potentially leading to contraction or displacement of local production. Trade creation accounts for 74% of the total change in China's imports from SACU. This suggests that tariff liberalisation would predominantly stimulate new demand for SACU exports, rather than simply reallocating trade away from other suppliers. At the sectoral level, the agriculture and agro-processing sectors exhibit strong trade creation effects. Products such as fruit and nuts, beverages, tobacco, and fertilisers show the dominance of trade creation, indicating efficiency-enhancing outcomes, where SACU exports displace higher-cost domestic production in China.

[5] Exports will increase by USD 2.6 million for Botswana, USD 11 million for Lesotho, USD 81 million for Namibia and USD 0.03 for Eswatini.

Table 7: The impact of China tariff liberalisation on SACU exports.

Product description (HS 2-digit)	Initial China imports from SACU (USD million)	Trade creation effect	Trade diversion effect	Change in imports from SACU (USD million)	% change in China imports from SACU
2-Meat & edible offal	5.7	0.1	1.1	1.2	21%
3-Fish crustaceans & molluscs	26.3	5.1	1.3	6.5	25%
5-Animal products n.e.c.	3.9	0.4	0.4	0.8	19%
6-Live plants bulbs & flowers	8.7	38.0	1.0	39.0	449%
8-Edible fruit & nuts	494.2	139.4	56.5	195.9	40%
9-Coffee tea & spices	0.0	0.0	0.0	0.0	148%
10-Cereals	52.6	64.7	28.1	92.8	177%
12-Oil seeds & industrial plants	133.3	120.4	8.2	128.6	97%
13-Gums resins & extracts	0.1	0.0	0.0	0.0	32%
15-Fats oils & waxes	0.2	0.1	0.1	0.2	94%
16-Meat & fish preparations	0.2	0.1	0.0	0.1	37%
17-Sugars & confectionery	0.0	0.0	0.0	0.0	23%
20-Fruit & vegetable preparations	9.3	3.6	0.3	4.0	43%
21-Misc edible preparations	0.5	0.0	0.1	0.1	20%
22-Beverages spirits vinegar	23.3	6.6	5.0	11.6	50%
23-Food waste & animal feed	44.6	1.6	2.3	4.0	9%
24-Tobacco products	3.3	56.0	2.8	58.8	1798%
25-Salt sulphur stone cement	183.6	17.8	7.9	25.6	14%
27-Mineral fuels & oils	258.6	30.1	17.9	47.9	19%
28-Inorganic chemicals	654.8	34.9	32.2	67.1	10%
29-Organic chemicals	28.6	1.4	1.9	3.3	11%
30-Pharmaceuticals	21.6	0.0	0.1	0.1	0%
31-Fertilizers	8.9	2.0	1.7	3.7	42%
32-Dyes pigments paints	20.8	1.2	1.1	2.3	11%
33-Cosmetics & essential oils	9.0	0.7	1.0	1.7	19%
34-Soap & cleaning products	0.5	0.1	0.1	0.1	27%
35-Enzymes & modified starches	0.2	0.0	0.0	0.0	14%
38-Chemical products n.e.c.	45.4	3.9	6.9	10.8	24%
39-Plastics & articles	26.7	1.7	2.7	4.4	17%
40-Rubber & articles	2.5	0.3	0.4	0.7	27%
41-Hides skins & leather	20.7	1.3	2.0	3.3	16%
42-Leather goods & travel items	0.0	0.0	0.0	0.0	7%
43-Furs & artificial fur	0.1	0.0	0.0	0.0	29%
44-Wood & wood products	73.0	0.1	0.1	0.2	0%
46-Straw basketware wickerwork	0.0	0.0	0.0	0.0	86%
48-Paper & paperboard	11.3	0.6	0.9	1.5	13%
49-Printed materials	0.1	0.0	0.0	0.0	9%
51-Wool & animal hair	226.6	35.0	56.5	91.5	40%
52-Cotton	6.8	0.8	1.4	2.3	34%
54-Man-made filaments	0.2	0.0	0.0	0.0	15%
55-Man-made staple fibres	2.7	0.1	0.2	0.3	12%
56-Wadding felt ropes	0.1	0.0	0.0	0.0	12%
59-Coated & industrial textiles	0.1	0.0	0.0	0.0	14%
61-Knitted apparel	0.4	0.4	0.0	0.5	112%
62-Non-knitted apparel	0.6	0.5	0.1	0.5	96%
63-Made-up textiles & rags	0.4	0.2	0.0	0.2	54%
64-Footwear & parts	0.1	0.0	0.0	0.0	21%
65-Headgear	0.5	0.0	0.0	0.0	8%
66-Umbrellas & walking sticks	0.1	0.0	0.0	0.0	30%
67-Feathers & artificial flowers	0.2	0.0	0.0	0.0	18%
68-Stone cement articles	0.4	0.1	0.1	0.1	32%
69-Ceramics	1.1	0.2	0.1	0.3	29%
70-Glass & glassware	0.0	0.0	0.0	0.0	20%
71-Precious stones & metals	15296.5	109.6	88.1	197.7	1%
72-Iron & steel	2083.3	87.2	29.7	116.9	6%

Product description (HS 2-digit)	Initial China imports from SACU (USD million)	Trade creation effect	Trade diversion effect	Change in imports from SACU (USD million)	% change in China imports from SACU
73-Iron & steel articles	8.3	1.6	0.7	2.3	28%
74-Copper & articles	978.4	21.1	26.6	47.8	5%
75-Nickel & articles	31.3	0.3	1.4	1.7	5%
76-Aluminium & articles	40.4	2.0	3.5	5.4	13%
78-Lead & articles	0.0	0.0	0.0	0.0	11%
81-Other metals & cermets	1.3	0.0	0.1	0.1	10%
82-Tools & cutlery	1.4	0.1	0.2	0.3	20%
83-Misc metal articles	1.1	0.2	0.1	0.3	31%
84-Machinery & mechanical equipment	21.7	1.3	1.9	3.2	15%
85-Electrical equipment	12.7	0.5	0.6	1.1	9%
86-Railway equipment	1.0	0.1	0.0	0.1	14%
87-Vehicles & parts	27.0	2.7	5.5	8.2	30%
88-Aircraft & spacecraft	1.1	0.0	0.0	0.0	3%
89-Ships & boats	0.9	0.2	0.1	0.3	34%
90-Optical medical instruments	6.5	0.0	0.1	0.1	2%
92-Musical instruments	0.0	0.0	0.0	0.0	315%
94-Furniture & lighting	0.3	0.0	0.0	0.0	11%
95-Toys games sports goods	0.1	0.0	0.0	0.0	13%
96-Misc manufactured goods	0.1	0.0	0.0	0.0	20%
97-Art antiques collectibles	0.5	0.0	0.0	0.0	4%
Total	**33240.9**	**796.7**	**401.1**	**1198.1**	**4%**

6.3 Impact of the FTA on SACU imports

Table 8 shows the impact of tariff liberalisation under a potential SACU–China FTA on SACU's imports from China, measured as a change in import values at the HS 2-digit level. At the aggregate level, the results indicate a substantial import response, with total imports from China increasing by approximately USD 3.7 billion (16%), significantly larger than the export response. This asymmetry reflects the relatively high level of tariffs on imports from SACU, particularly in the manufacturing sector, and the higher degree of import dependence and price sensitivity within SACU. Of the total change in SACU imports, South Africa alone accounts for USD 3.5 billion, representing 95% of the total change in SACU imports.[6]

The largest increases in absolute terms are in the manufacturing and industrial sectors, particularly metals, machinery, and consumer goods. For example, iron and steel (HS72) increase by over USD 437 million (64%), while vehicles and parts (HS87) rise by 33%, and aluminium products (48%) and plastics (15%) also show significant gains. In contrast, the relatively low percentage increases in large import sectors such as electrical equipment (3%) and machinery (4%) reflect the already low tariffs on these goods.

The strong import response in labour-intensive manufacturing sectors, including textiles, clothing, and footwear, is likely to be of concern. Imports of knitted apparel (143%), non-knitted apparel (79%), textile fibres and fabrics (30–80%), and footwear (34%) increase sharply, reflecting the removal of relatively high tariff protection in these sectors.

[6] For other SACU members, imports for Botswana will rise by USD 29 million, USD 32 million for Eswatini, USD 45 million for Lesotho, and USD 79 million for Namibia. In all these cases import responses are overwhelmly larger compared to export responses.

There are also increases in agriculture and food-related imports, including vegetables (44%), fruit and vegetable preparations (6%), dairy products (24%), and tobacco (132%), though imports in these sectors are much smaller in absolute terms.

The results further show that the increase in SACU's imports from China is largely driven by trade creation effects. At the sectoral level, labour-intensive manufacturing sectors exhibit particularly strong trade creation effects, notably in textiles, apparel, and footwear. Sectors such as knitted and non-knitted apparel, fabrics, and footwear also show trade creation overwhelmingly driving the import expansion. This reflects both the initial level of protection and China's strong comparative advantage in these industries, implying significant import penetration pressures in domestic manufacturing. The results point to a clear pattern: trade liberalisation with China would be strongly import-expanding and largely trade-creating, particularly in manufacturing sectors where China is highly competitive. However, the presence of non-negligible trade diversion in several sectors suggests that some of these gains come at the expense of other trading partners, with important implications for both welfare and industrial adjustment.

Table 8: The impact of full liberalisation on SACU imports from China

Product description (HS2-digit level)	SACU initial imports from China (USD million)	Trade creation effect	Trade diversion effect	Change in SACU imports from China (USD million)	% change in SACU imports from China
2-Meat & edible offal	0.1	0.0	0.0	0.0	50%
3-Fish crustaceans & molluscs	15.6	0.7	0.1	0.8	5%
4-Dairy eggs & honey	4.5	0.8	0.3	1.1	24%
6-Live plants bulbs & flowers	0.9	0.0	0.0	0.0	2%
7-Edible vegetables & roots	18.4	6.7	1.4	8.1	44%
8-Edible fruit & nuts	2.4	0.1	0.1	0.3	11%
9-Coffee tea & spices	13.4	1.0	0.9	1.9	14%
10-Cereals	2.7	0.0	0.0	0.0	0%
11-Milling products starch gluten	4.1	0.2	0.1	0.2	6%
12-Oil seeds & industrial plants	8.4	1.2	0.4	1.5	18%
13-Gums resins & extracts	7.2	0.6	0.5	1.1	15%
14-Vegetable materials n.e.c.	0.3	0.0	0.0	0.0	0%
15-Fats oils & waxes	3.8	0.4	0.3	0.7	18%
16-Meat & fish preparations	30.9	3.7	2.4	6.1	20%
17-Sugars & confectionery	23.8	0.6	2.7	3.3	14%
18-Cocoa & preparations	0.7	0.1	0.1	0.2	33%
19-Cereal & flour preparations	8.2	2.6	1.8	4.3	53%
20-Fruit & vegetable preparations	111.1	2.7	4.0	6.7	6%
21-Misc edible preparations	14.0	1.5	1.9	3.4	24%
22-Beverages spirits vinegar	1.6	0.0	0.0	0.0	3%
23-Food waste & animal feed	9.8	0.4	0.4	0.8	8%
24-Tobacco products	59.5	78.2	0.1	78.4	132%
27-Mineral fuels & oils	454.8	2.4	0.9	3.3	1%
28-Inorganic chemicals	301.3	24.0	9.8	33.7	11%
29-Organic chemicals	545.1	5.6	2.9	8.5	2%
30-Pharmaceuticals	47.8	1.4	1.4	2.8	6%
32-Dyes pigments paints	70.4	2.6	2.7	5.3	8%
33-Cosmetics & essential oils	64.0	4.9	8.7	13.6	21%
34-Soap & cleaning products	43.2	12.5	5.7	18.2	42%
35-Enzymes & modified starches	65.1	0.4	0.3	0.7	1%
36-Explosives & pyrotechnics	13.7	0.0	0.0	0.0	0%
37-Photographic goods	11.5	0.4	0.3	0.7	7%
38-Chemical products n.e.c.	246.7	1.3	1.9	3.2	1%
39-Plastics & articles	626.7	55.9	35.7	91.6	15%
40-Rubber & articles	361.4	39.9	57.7	97.5	27%
41-Hides skins & leather	2.8	0.1	0.1	0.2	7%
42-Leather goods & travel items	165.7	37.0	15.5	52.5	32%

Product description (HS2-digit level)	SACU initial imports from China (USD million)	Trade creation effect	Trade diversion effect	Change in SACU imports from China (USD million)	% change in SACU imports from China
43-Furs & artificial fur	0.6	0.2	0.0	0.2	37%
44-Wood & wood products	52.4	15.6	3.3	18.9	36%
46-Straw basketware wickerwork	2.7	1.0	0.3	1.3	47%
48-Paper & paperboard	180.4	34.1	5.5	39.6	22%
49-Printed materials	17.0	0.4	0.3	0.7	4%
51-Wool & animal hair	1.1	1.6	0.0	1.6	151%
52-Cotton	80.3	26.5	6.2	32.7	41%
53-Vegetable textile fibres	11.6	0.3	0.3	0.6	5%
54-Man-made filaments	217.6	77.6	7.8	85.4	39%
55-Man-made staple fibres	82.1	69.1	5.0	74.0	90%
56-Wadding felt ropes	45.8	13.6	5.7	19.3	42%
57-Carpets & floor coverings	14.4	6.2	3.0	9.2	64%
58-Special fabrics & lace	24.8	3.5	1.4	4.9	20%
59-Coated & industrial textiles	67.5	5.6	3.5	9.1	14%
60-Knitted fabrics	165.4	34.8	7.8	42.7	26%
61-Knitted apparel	429.9	532.4	82.4	614.9	143%
62-Non-knitted apparel	385.4	212.1	93.2	305.5	79%
63-Made-up textiles & rags	75.4	40.5	10.6	51.1	68%
64-Footwear & parts	485.4	102.9	63.2	166.1	34%
65-Headgear	59.2	14.4	3.5	17.9	30%
66-Umbrellas & walking sticks	6.7	2.3	0.2	2.5	38%
67-Feathers & artificial flowers	13.3	2.4	0.8	3.2	24%
68-Stone cement articles	68.5	17.8	2.3	20.2	29%
69-Ceramics	124.2	33.6	7.1	40.6	33%
70-Glass & glassware	110.2	10.3	6.8	17.1	16%
71-Precious stones & metals	41.6	5.6	2.8	8.4	20%
72-Iron & steel	682.2	412.1	25.5	437.7	64%
73-Iron & steel articles	537.5	86.2	39.8	126.1	23%
74-Copper & articles	55.0	7.1	1.3	8.4	15%
76-Aluminium & articles	260.0	110.9	13.7	124.5	48%
82-Tools & cutlery	157.4	12.9	9.7	22.6	14%
83-Misc metal articles	138.4	27.0	11.7	38.7	28%
84-Machinery & mechanical equipment	4206.1	96.0	64.5	160.5	4%
85-Electrical equipment	7959.4	147.2	75.8	223.1	3%
86-Railway equipment	31.5	0.1	0.1	0.1	0%
87-Vehicles & parts	1140.6	183.7	189.8	373.6	33%
89-Ships & boats	1.5	0.1	0.1	0.2	15%
90-Optical medical instruments	382.1	2.2	1.9	4.1	1%
93-Arms & ammunition	16.8	1.6	0.2	1.8	11%
94-Furniture & lighting	309.5	79.9	23.0	102.9	33%
95-Toys games sports goods	244.7	7.4	4.4	11.9	5%
96-Misc manufactured goods	117.5	16.8	10.5	27.3	23%
Total	**22365.4**	**2745.5**	**956.1**	**3702.4**	**16%**

6.4 Revenue and welfare implications of tariff liberalisation

Trade liberalisation generates both gains and costs, reflecting the reallocation of resources in response to changes in relative prices. While lower tariffs tend to enhance consumer welfare through cheaper imports and greater variety, they also reduce government revenue and intensify competitive pressures on domestic industries. The net welfare outcome, therefore, depends on the balance between efficiency gains from trade creation and the fiscal and adjustment costs associated with liberalisation.

Table 9 presents the simulated revenue and welfare effects of tariff liberalisation between SACU countries and China, highlighting the resulting benefits and adjustment costs. South Africa experiences the largest absolute adjustment effects due to the scale of its trade relationship with China. Tariff revenue declines by USD 1.58 billion (43.5%), but this is more than offset by a USD 1.77 billion increase in consumer surplus, resulting in a net welfare gain of USD 189.7 million. Similarly, the smaller SACU economies also record positive welfare gains despite sizeable reductions in tariff revenue. Eswatini is the most fiscally exposed, with tariff revenues falling by 68.6%, followed by Lesotho (48.3%), Namibia (44.7%), and Botswana (39%). However, these economies also experience relatively large proportional increases in consumer welfare, particularly Eswatini (1.24% of initial imports) and Lesotho (1.11%), suggesting that consumers benefit significantly from lower import prices and expanded access to Chinese goods.

By contrast, the welfare effects for China are largely muted, with negligible changes in consumer surplus, tariff revenue, and overall welfare. This reflects two things: the limited scope for further liberalisation on the Chinese side, given the already low level of tariffs applied to SACU exports and the relatively limited importance of SACU imports within China's broader trade structure. Overall, the results suggest that while liberalisation is welfare-improving, the magnitude of gains is small relative to total trade flows and unevenly distributed, with South Africa bearing the primary adjustment burden alongside relatively constrained net benefits. The magnitude of tariff revenue losses highlights an important adjustment challenge for SACU members, particularly given the historical dependence of the SACU revenue-sharing arrangement on customs revenues.

Table 9: Revenue and welfare implications of tariff liberalisation between SACU and China

	Botswana	Eswatini	Lesotho	Namibia	South Africa	China
Change in revenue (USD mill)	-15.5	-23.0	-16.1	-54.7	-1579.5	-411.7
% change tariff revenue	-39.0%	-68.6%	-48.3%	-44.7%	-43.5%	-0.7%
% change in consumer welfare (as a share of total initial imports)	0.26%	1.24%	1.11%	0.79%	1.81%	0.02%
Change in consumer surplus (USD mill)	16.7	25.1	18.7	57.3	1769.2	431.5
Change in welfare overall (USD mill)	1.2	2.1	2.6	2.6	189.7	19.8
% change in overall welfare (as a share of total initial imports)	0.019%	0.105%	0.155%	0.036%	0.194%	0.001%

7. Beyond the simulation results

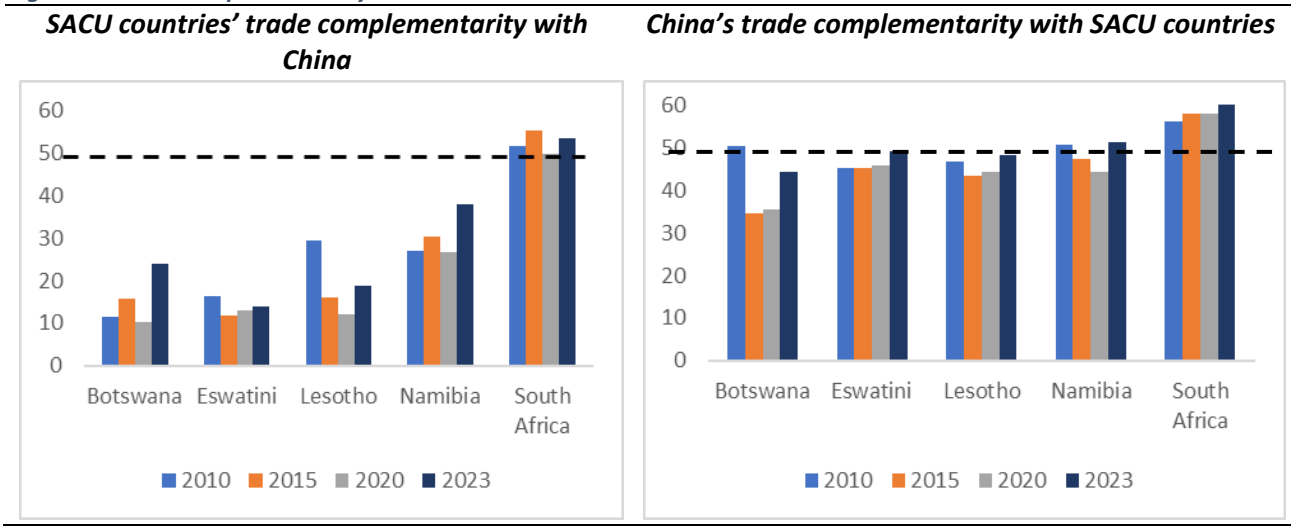
While the SMART simulation provides useful insights into the short- to medium-term trade effects of tariff liberalisation, it offers a partial and static view of SACU's export prospects in China. To complement these findings, this section broadens the analysis by examining additional indicators of export potential, including measures such as the trade complementarity index (TCI) and related structural metrics. These indicators provide a different perspective on the extent to which SACU's export structure aligns with China's import demand, as well as the scope for diversification beyond current trade patterns.

7.1 Trade complementarity index between SACU and China

The trade complementarity index (TCI) measures the extent to which a country's export structure aligns with the import demand profile of a trading partner. In essence, it captures how well what one country produces matches what another country needs to import. Values typically range from 0 to 100, with higher values indicating greater complementarity and, therefore, stronger potential for mutually beneficial trade. In the context of an FTA analysis, the TCI provides an ex ante indication of trade potential and the likely direction of trade expansion following tariff liberalisation. High complementarity suggests that an FTA is more likely to generate trade creation, while low complementarity may imply limited gains or increased risks of a trade imbalance.

The TCI results reveal important differences across SACU members in terms of how closely their export structures align with China's import demand (see Figure 8). South Africa exhibits the highest level of trade complementarity with China among SACU countries, reflecting its relatively diversified export base and stronger presence in minerals, metals, agricultural products, and selected manufactured goods demanded by China. This suggests that South Africa is comparatively better positioned to benefit from improved market access under a SACU–China FTA, consistent with the simulation results showing that it accounts for the overwhelming share of projected export gains.

Figure 8: Trade complementarity between SACU countries and China



Source: Author's construction based on UN Comtrade data

By contrast, the smaller SACU economies, namely Botswana, Namibia, Lesotho, and Eswatini, display lower levels of complementarity with China. In Botswana and Namibia, complementarity is driven primarily by a narrow concentration of mineral and resource-based exports, limiting the breadth of potential export expansion. Although these sectors may benefit from tariff liberalisation, the scope for diversified export growth remains constrained by the limited range of export products. In Lesotho and Eswatini, the degree of complementarity is even weaker, reflecting smaller and less diversified export structures that are less aligned

with China's import profile. As a result, these countries are likely to experience more limited direct export gains from tariff liberalisation.

At the same time, China's trade complementarity with all SACU countries is consistently higher, indicating that China's export structure is broadly well aligned with import demand across the SACU region. This is particularly evident in manufacturing sectors such as machinery, electrical equipment, textiles, apparel, plastics, and consumer goods, where China maintains strong export competitiveness. The asymmetry between SACU countries' complementarity with China and China's complementarity with SACU suggests that trade liberalisation is likely to generate stronger import expansion across SACU markets relative to export growth, particularly for the smaller SACU economies with limited export diversification and weaker industrial competitiveness. This helps explain the relatively modest aggregate export response observed in the simulations, despite stronger gains in selected agricultural and agro-processing products where tariff barriers remain relatively high.

From an FTA perspective, this imbalance implies that, in the absence of offsetting measures, tariff liberalisation is likely to reinforce existing trade patterns.

7.2 Revealed comparative advantage (RCA) for South Africa's exports

The Revealed Comparative Advantage (RCA) index is a commonly used measure to assess export competitiveness. RCA is typically calculated as the ratio of a product's share in a country's total exports to that product's share in global trade. An RCA value greater than one indicates that a country is relatively more specialised in that product compared to the world average, suggesting a comparative advantage, while values below one indicate a comparative disadvantage. The RCA is widely used in trade analysis to identify sectors of strength and weakness, assess export specialisation patterns, and evaluate the scope for export diversification and upgrading.

Table 10 shows the distribution of South Africa's exports across products with and without a RCA. The results point to a highly concentrated pattern of comparative advantage, where a relatively small number of product lines account for a disproportionately large share of export value. Although products with an RCA represent a minority of all HS6 lines, they account for over four-fifths of exports, indicating that South Africa's export performance is driven by a narrow set of highly competitive sectors. This reflects a case of deep specialisation rather than broad-based competitiveness.

The sectoral pattern of export gains observed in the simulations is aligned with the RCA analysis. The strongest areas of comparative advantage are found in precious metals, mineral products, and base metals, which together dominate the export basket. These sectors exhibit both high export shares and a strong concentration of RCA products, underscoring the extent to which South Africa's trade is anchored in resource-based comparative advantage. Sectors such as transport equipment and hydrocarbons display notable export shares for RCA products, pointing to some degree of competitiveness in more capital-intensive and globally integrated industries.

Table 10: Revealed comparative advantage for South Africa's exports

Products	Number of HS6-digit with RCA (RCA>1)	Share of exports for products with RCA	Number of HS6-digit with no RCA (RC<1)	Share of exports for products with no RCA	Total export share
Apparel (Including Footwear, Headgear, Art. of Feathers, Fur,	49	0.3%	303	0.6%	0.9%
Base Metal and Articles Thereof	118	8.5%	413	1.8%	10.3%
Chemicals and Parachemical Products	147	4.3%	540	1.5%	5.8%
Electrical Machinery (including Optical, Medical,Photographic	27	0.3%	354	2.3%	2.6%
Foodstuff (Beverages, Spirits, Vinegar, Tobacco, etc.)	68	3.3%	113	1.0%	4.3%
Glass, Ceramics and Articles of Stone, Cement, etc.	18	0.1%	112	0.3%	0.4%
Hydrocarbons	17	6.7%	22	2.9%	9.6%
Live Animals and Animal Products	37	0.7%	143	0.5%	1.2%
Mechanical Machinery (including Clocks and Music Instruments)	82	3.0%	469	2.2%	5.2%
Mineral Products (except hydrocarbons)	39	16.2%	58	0.2%	16.4%
Other	7	0.1%	76	0.1%	0.2%
Plastics and Articles Thereof	24	0.6%	169	1.2%	1.8%
Precious Metals (Pearls, Jewelry, Coin, Precious Stones, etc.)	16	18.3%	31	0.2%	18.5%
Textiles (Including Raw Skins and Leather)	73	0.6%	387	0.2%	0.8%
Transportation Vehicles	26	10.0%	99	2.2%	12.2%
Vegetable Products (including Animal and Vegetable Fats)	86	6.3%	199	0.8%	7.1%
Wood and Articles Thereof (including Paper & Articles, Furniture)	49	2.0%	181	1%	3%
Total	**883**	**81.2%**	**3669**	**18.8%**	**100.0%**

Source: Author's construction based on UN Comtrade data

Beyond these core sectors, however, the pattern of comparative advantage becomes significantly weaker. In sectors such as chemicals, machinery, and food products, there is some presence of RCA, but the export shares remain modest, indicating limited depth of competitiveness. In labour-intensive manufacturing sectors, including apparel, textiles, and electrical machinery, the export base is overwhelmingly composed of products without RCA. This suggests that South Africa lacks global competitiveness in these sectors, despite their potential importance for employment and diversification.

A comparison of the RCA profiles for South Africa and China highlights fundamentally different patterns of export specialisation and competitiveness, with important implications for bilateral trade (see Table 11 for China RCA). While South Africa's RCA profile is concentrated in a narrow set of resource-based sectors, China's comparative advantage is broad-based and strongly rooted in manufacturing activities. China exhibits a high number of HS6 product lines with RCA across electrical machinery, mechanical equipment, textiles, and apparel, which together account for a substantial share of its total exports.

Table 11: Revealed comparative advantage for China's exports

Products	Number of HS6-digit with RCA (RCA>1)	Share of exports for products with RCA	Number of HS6-digit with no RCA (RC<1)	Share of exports for products with no RCA	Total export share
Apparel (Including Footwear, Headgear, Art. of Feathers, Fur, Leather Products)	246	8.9%	104	0.3%	9.2%
Arms and Ammunitions	1	0.0%	8	0.0%	0.0%
Base Metal and Articles Thereof	276	7.1%	252	1.1%	8.2%
Chemicals and Parachemical Products	323	4.2%	368	1.6%	5.8%
Electrical Machinery (including Optical, Medical,Photographic Instruments)	211	21.6%	168	7.1%	28.7%
Foodstuff (Beverages, Spirits, Vinegar, Tobacco, etc.)	27	0.6%	142	0.7%	1.2%
Glass, Ceramics and Articles of Stone, Cement, etc.	70	1.5%	60	0.2%	1.7%
Hydrocarbons	5	0.1%	30	1.4%	1.5%
Live Animals and Animal Products	24	0.3%	134	0.1%	0.4%
Mechanical Machinery (including Clocks and Music Instruments)	323	13.2%	229	3.4%	16.6%
Mineral Products (except hydrocarbons)	15	0.1%	76	0.2%	0.2%
Other	67	3.1%	16	0.0%	3.1%
Plastics and Articles Thereof	78	4.0%	117	1.1%	5.1%
Precious Metals (Pearls, Jewelry, Coin, Precious Stones, etc.)	8	0.2%	39	0.9%	1.0%
Textiles (Including Raw Skins and Leather)	335	2.4%	149	0.1%	2.5%
Transportation Vehicles	47	4.1%	78	4.2%	8.4%
Vegetable Products (including Animal and Vegetable Fats)	47	0.6%	221	0.4%	1.0%
Wood and Articles Thereof (including Paper & Articles, Furniture)	91	4.6%	134	0.6%	5.2%
Total	**2194**	**76.6%**	**2325**	**23.3%**	**100.0%**

Source: Author's construction based on UN Comtrade data

The simulation results are strongly consistent with the RCA analysis, which highlights the highly concentrated nature of SACU's export competitiveness relative to China's broad-based manufacturing strength. The sectors showing the largest export gains under the FTA scenario, particularly precious metals, mineral products, base metals, agricultural products, and selected semi-processed goods, are also the sectors where South Africa demonstrates a strong revealed comparative advantage. This suggests that tariff liberalisation primarily reinforces existing areas of competitiveness rather than generating substantial diversification into new export industries. In contrast, sectors where SACU exhibits weak or no comparative advantage, particularly labour-intensive and technology-intensive manufacturing industries such as apparel, textiles, electrical machinery, and consumer manufactures, show relatively limited export expansion in the simulations. At the same time, these are precisely the sectors where imports from China increase most sharply following tariff liberalisation. The RCA analysis for China indicates a strong comparative advantage across a wide range of manufacturing sectors, including machinery, electrical equipment, textiles, apparel, plastics, and metal products, which closely aligns with the sectors driving import growth into SACU in the simulation results. The combined evidence therefore suggests that a SACU–China FTA would likely reinforce existing trade specialisation patterns, with SACU exports remaining concentrated in resource-based sectors while China further expands its manufacturing penetration into SACU markets. This highlights the risk that,

without complementary industrial and export diversification policies, tariff liberalisation may deepen existing structural trade asymmetries rather than promote broad-based industrial transformation within SACU.

8. Conclusion

This paper set out to assess the extent to which an FTA between South Africa and China might enable South Africa to grow and diversify its export base in the face of rising trade policy uncertainty and shifting global trade dynamics. The analysis highlights both the opportunities and the structural constraints that shape the bilateral trade relationship.

The findings point to a clear asymmetry. While trade between South Africa and China has expanded significantly over time, exports remain concentrated in minerals and precious metals, while imports are dominated by manufactured goods. This imbalance is reinforced by the underlying comparative advantages and existing tariff regimes of the two countries, limiting scope for further export diversification from South Africa in the absence of broader structural change.

The simulation results suggest that a SACU–China FTA would generate modest gains in exports, largely because South Africa's main export products already face low tariffs in China. More substantial gains are possible in sectors where tariffs are currently binding, particularly agriculture and agro-processing, as well as in selected semi-processed resource-based products. These results point to some scope for expansion along the extensive margin, although from a relatively low base.

In contrast, the projected import response is significantly larger, reflecting both the structure of SACU tariffs and the strong alignment between China's export capabilities and South Africa's import demand. This will reduce costs for consumers and businesses but is also likely to raise concerns about further import penetration and competitive pressures in labour-intensive manufacturing sectors. In the absence of parallel domestic reforms, there is a significant risk that tariff liberalisation may deepen existing trade imbalances and reinforce patterns of deindustrialisation.

Available indicators of trade complementarity and revealed comparative advantage reinforce these conclusions. They highlight that while there is a reasonable alignment between South Africa's export supply and China's import demand, this alignment is narrow and commodity-driven, whereas China's export structure is more broadly aligned with South Africa's demand. Sectors with a strong RCA, particularly in minerals, metals, and select manufacturing products, are most likely to benefit from tariff liberalisation under a potential SACU–China FTA. As a result, trade liberalisation alone is unlikely to generate significant structural transformation.

9. Policy implications

The findings of this paper point to a central policy tension: while a SACU–China FTA can generate measurable welfare gains and targeted export opportunities, it also risks reinforcing existing structural asymmetries in trade. The policy challenge, therefore, is not simply whether to liberalise, but how to design complementary interventions that maximise the benefits of integration while mitigating its adjustment costs.

Enhancing export response in high-potential sectors

The simulation results show that the strongest export gains are concentrated in agriculture and agro-processing, where tariffs remain binding. However, the limited overall export response suggests that market access alone is insufficient to drive diversification. A key policy priority is therefore to strengthen export readiness and competitiveness at the firm level.

Leveraging liberalisation for industrial upgrading

The results indicate that some export gains are emerging in semi-processed and resource-based products, such as copper and aluminium, suggesting scope for upgrading within existing comparative advantage. Policy should therefore shift from a narrow focus on export volumes to promoting value addition within resource sectors. This can be achieved through targeted incentives for downstream processing, support for industrial clusters linked to mineral value chains, and strategic partnerships with Chinese firms to facilitate technology transfer. In this way, trade policy can be aligned with industrial policy objectives, ensuring that export growth contributes to structural transformation.

Managing import competition through strategic sequencing

The simulation results point to substantial increases in imports from China following tariff liberalisation, with the strongest surges concentrated in labour-intensive manufacturing sectors, particularly textiles, clothing, footwear, and metals. These findings are not merely a technical result; they carry significant implications for employment, industrial policy, and the political feasibility of any FTA with China. South Africa's manufacturing sector is already under considerable stress, with import competition from China having contributed to progressive deindustrialisation, employment losses, and the erosion of industrial capacity across a range of sectors. Strategic sequencing of tariff reductions must therefore be treated as a core design principle of any SACU–China FTA. This means negotiating longer phase-in periods and extended transition timelines for sensitive sectors, incorporating robust safeguard mechanisms that can be triggered in response to import surges, and ensuring that tariff reductions in vulnerable industries are conditional on demonstrable progress in domestic competitiveness. In parallel, domestic industries should be supported through time-bound, performance-based industrial policy interventions, including productivity support, technology upgrading, and skills development, aimed at improving competitiveness. This sequenced approach is essential for building the domestic political consensus necessary to sustain deeper trade integration with China over the long term.

Reducing trade costs and facilitating market entry

The literature and empirical results both suggest that non-tariff barriers and trade costs are critical constraints, particularly for diversification along the extensive margin. Policy efforts should extend beyond tariff liberalisation to addressing the non-tariff barriers that constrain South Africa’s agricultural and agro-processed exports to China. A SACU–China agreement should therefore prioritise SPS cooperation, including mutual recognition of certification systems, streamlined product approval processes, and improved regulatory coordination. Establishing a bilateral SPS and trade facilitation mechanism could reduce administrative delays, improve customs efficiency, and lower compliance costs for exporters. In addition, aligning bilateral standards commitments with the AfCFTA framework would help avoid regulatory fragmentation and strengthen coherence across South Africa’s broader trade architecture. Collectively, these

measures are essential to ensure that deeper trade integration with China translates into tangible export gains rather than reinforcing existing structural asymmetries.

Aligning import structure with domestic industrial objectives

The composition of imports from China, dominated by machinery, electronics, and intermediate goods, presents both a challenge and an opportunity. While increased imports may displace domestic production in some sectors, they can also reduce input costs and support participation in global value chains. A more strategic approach would involve selective liberalisation of intermediate and capital goods, combined with policies that encourage their use in domestic production and export activities. This could include linking tariff reductions or duty rebate schemes to export performance or local value addition, thereby ensuring that imports contribute to productive capacity rather than consumption alone.

Managing market concentration and external policy risk

The results point to a structural vulnerability in South Africa's trade strategy arising from concentration in a limited number of export markets with differing risk profiles. While China offers scale and continued demand for resource-based exports, the USA plays a distinct role as a destination for relatively more diversified and value-added exports. The evidence therefore suggests that these markets are not substitutes, but functionally complementary within South Africa's export portfolio. However, recent developments highlight the risks associated with reliance on preferential access to the USA. market, particularly in the context of increasing tariff volatility and policy uncertainty. This underscores the need for a more deliberate diversification strategy, rather than a binary shift away from one partner to another. From a policy perspective, the implication is the need to adopt a dual-market strategy. This involves maintaining and strengthening access to the USA, through proactive negotiation, preservation of preferential arrangements such as AGOA, and efforts to secure more stable trade framework, while expanding exports to China in sectors with clear growth potential.

Strengthening institutional coordination and policy coherence

A recurring theme in the findings is that the effectiveness of trade liberalisation depends critically on complementary domestic policies. This underscores the need for strong coordination between trade, industrial, and sectoral policies. Establishing mechanisms to align trade negotiations with domestic industrial priorities and to monitor sectoral outcomes in real time would enhance the policy impact of an FTA. Without such coordination, there is a risk that liberalisation outcomes will diverge from broader development objectives.

Taken together, the results suggest that a SACU–China FTA should be viewed not as a standalone policy instrument, but as part of a broader strategy for economic transformation. While tariff liberalisation can unlock targeted opportunities, particularly in agriculture and selected value-added sectors, its overall impact will remain limited unless accompanied by measures that address supply-side constraints, support industrial upgrading, and manage adjustment pressures.

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Annex

Table A1: Average tariffs on SACU imports from China (at the HS2-digit level), 2024

Product (HS 2-digit)	Simple Average	Weighted Average	Standard Deviation	Minimum Rate	Maximum Rate	Nbr of Total Lines	Imports from China (in million USD)	Share of total imports from China
61-Art. of apparel & clothing access, knitted or crochet	41	44	8	0	45	125	403	1.9%
62-Art. of apparel & clothing access, not knitted/crochet	41	44	9	0	45	139	363	1.7%
57-Carpets & floor coverings	27	30	8	5	30	24	14	0.1%
42-Leather goods & travel items	27	30	8	0	30	25	157	0.7%
63-Made-up textiles & rags	27	26	7	0	30	79	67	0.3%
64-Footwear & parts	26	29	10	0	30	79	462	2.1%
66-Umbrellas & walking sticks	26	29	4	20	30	6	6	0.0%
52-Cotton	20	22	5	0	22	81	40	0.2%
19-Cereal & flour preparations	20	20	9	0	40	29	8	0.0%
43-Furs & artificial fur	20	30	13	0	30	7	1	0.0%
24-Tobacco products	19	11	21	0	45	18	59	0.3%
46-Straw basketware wickerwork	19	19	6	0	20	12	3	0.0%
60-Knitted fabrics	18	18	9	0	22	57	133	0.6%
65-Headgear	17	28	11	0	30	12	56	0.3%
58-Special fabrics & lace	16	15	10	0	25	43	24	0.1%
55-Man-made staple fibres	16	16	8	0	22	97	69	0.3%
20-Fruit & vegetable preparations	16	10	11	0	37	76	111	0.5%
94-Furniture	16	15	7	0	25	163	290	1.3%
18-Cocoa & preparations	15	12	7	0	20	6	1	0.0%
56-Wadding felt ropes	14	15	6	0	20	40	44	0.2%
54-Man-made filaments	14	19	10	0	22	82	202	0.9%
83-Misc metal articles	13	14	8	0	20	48	135	0.6%
67-Feathers & artificial flowers	13	8	10	0	20	8	12	0.1%
34-Soap & cleaning products	12	12	8	0	20	32	41	0.2%
21-Misc edible preparations	12	11	10	0	30	39	13	0.1%
7-Edible vegetables & roots	12	10	8	0	25	55	18	0.1%
33-Cosmetics & essential oils	12	13	9	0	20	58	62	0.3%
51-Wool & animal hair	11	20	10	0	22	35	1	0.0%
6-Live plants bulbs & flowers	11	0	10	0	20	11	1	0.0%
73-Iron & steel articles	11	11	8	0	30	233	498	2.3%
2-Meat & edible offal	10	8	7	0	15	5	0	0.0%
44-Wood & wood products	10	10	9	0	30	127	50	0.2%
87-Vehicles & parts	10	16	10	0	30	206	1075	5.0%
96-Misc manufactured goods	9	15	11	0	45	76	113	0.5%
40-Rubber & articles	9	18	10	0	43	130	330	1.5%
82-Tools & cutlery	9	10	10	0	30	117	150	0.7%
69-Ceramics	9	10	11	0	30	30	118	0.5%
59-Coated & industrial textiles	9	9	10	0	25	64	65	0.3%
22-Beverages spirits vinegar	8	1	12	0	25	50	1	0.0%
15-Fats oils & waxes	8	5	4	0	10	55	4	0.0%
17-Sugars & confectionery	7	10	11	0	37	16	24	0.1%
70-Glass & glassware	7	9	6	0	30	139	106	0.5%
76-Aluminium & articles	7	11	7	0	30	66	251	1.2%
16-Meat & fish preparations	7	4	12	0	40	93	30	0.1%
11-Milling products starch gluten	7	1	8	0	20	41	4	0.0%
39-Plastics & articles	7	7	7	0	30	333	593	2.8%
12-Oil seeds & industrial plants	6	4	8	0	20	35	8	0.0%
8-Edible fruit & nuts	6	6	10	0	35	46	2	0.0%
13-Gums resins & extracts	6	6	9	0	25	18	7	0.0%
4-Dairy eggs & honey	6	22	7	0	22	8	5	0.0%
53-Vegetable textile fibres	6	4	10	0	22	16	12	0.1%
71-Precious stones & metals	5	14	9	0	20	47	40	0.2%
68-Stone cement articles	5	3	7	0	15	60	65	0.3%
72-Iron & steel	5	6	5	0	10	181	623	2.9%
48-Paper & paperboard	5	4	7	0	20	155	174	0.8%
89-Ships & boats	5	7	5	0	10	14	1	0.0%

Product (HS 2-digit)	Simple Average	Weighted Average	Standard Deviation	Minimum Rate	Maximum Rate	Nbr of Total Lines	Imports from China (in million USD)	Share of total imports from China
37-Photographic goods	5	4	7	0	15	35	11	0.1%
74-Copper & articles	5	7	6	0	20	67	54	0.2%
85-Electrical equipment and machinery	4	1	8	0	25	483	7702	35.8%
41-Hides skins & leather	4	3	5	0	10	28	3	0.0%
3-Fish crustaceans & molluscs	4	1	10	0	25	55	15	0.1%
27-Mineral fuels & oils	3	1	7	0	20	27	441	2.1%
49-Printed materials	3	2	6	0	15	33	16	0.1%
23-Food waste & animal feed	3	4	8	0	20	26	9	0.0%
9-Coffee tea & spices	2	10	7	0	25	40	13	0.1%
32-Dyes pigments paints	2	4	5	0	15	59	68	0.3%
35-Enzymes & modified starches	2	0	6	0	20	16	64	0.3%
14-Vegetable materials n.e.c.	2	0	5	0	15	7	0	0.0%
36-Explosives & pyrotechnics	2	0	5	0	15	10	13	0.1%
84-Machinery & mechanical equipment	1	2	6	0	30	671	3935	18.3%
95-Toys & games	1	5	6	0	30	43	238	1.1%
38-Chemical products n.e.c.	1	1	4	0	10	197	242	1.1%
28-Inorganic chemicals	1	4	3	0	20	149	286	1.3%
29-Organic chemicals	1	1	3	0	15	424	517	2.4%
30-Pharmaceuticals	1	4	2	0	20	99	41	0.2%
10-Cereals	1	0	1	0	5	11	1	0.0%
86-Railway equipment	0	0	2	0	10	15	30	0.1%
90-Optical medical instruments	0	1	4	0	20	154	364	1.7%
1-Live animals	0	0	0	0	0	3	0	0.0%
5-Animal products n.e.c.	0	0	0	0	0	13	77	0.4%
25-Salt sulphur stone cement	0	0	0	0	0	50	22	0.1%
26-Ores slag & ash	0	0	0	0	0	17	7	0.0%
31-Fertilizers	0	0	0	0	0	17	81	0.4%
45-Cork & cork articles	0	0	0	0	0	7	0	0.0%
47-Pulp & recovered paper	0	0	0	0	0	10	1	0.0%
50-Silk	0	0	0	0	0	7	2	0.0%
75-Nickel & articles	0	0	0	0	0	13	1	0.0%
78-Lead & articles	0	0	0	0	0	6	6	0.0%
79-Zinc & articles	0	0	0	0	0	4	1	0.0%
80-Tin & articles	0	0	0	0	0	3	0	0.0%
81-Other metals & cermets	0	0	0	0	0	33	33	0.2%
88-Aircraft & spacecraft	0	0	0	0	0	22	12	0.1%
91-Clocks & watches	0	0	0	0	0	48	32	0.1%
92-Musical instruments	0	0	0	0	0	17	7	0.0%
97-Art antiques collectibles	0	0	0	0	0	12	1	0.0%

Source: Author's construction based on UN Comtrade data

Table A2: Average tariffs applied by China on imports from SACU (SACU exports to China) at the HS2-digit level, 2024

Product (HS 2-digit)	Simple average tariffs	Weighted average tariffs	Standard Deviation	Minimum Rate	Maximum Rate	Nbr of Total Lines	Imports from South Africa (USD million)	Share of total imports from South Africa
10-Cereals	33	33	32	1	65	2	53	0.2%
24-Tobacco products	32	57	25	6.5	57	4	3	0.0%
11-Milling products starch gluten	20	20	0	20	20	1	0	0.0%
15-Fats oils & waxes	20	20	0	20	20	6	0	0.0%
22-Beverages spirits vinegar	17	14	13	0	40	19	23	0.1%
9-Coffee tea & spices	15	16	3	8	20	9	0	0.0%
8-Edible fruit & nuts	14	15	7	0	25	20	494	1.5%
2-Meat & edible offal	12	12	0	12	12	4	2	0.0%
21-Misc edible preparations	11	10	3	3	12	16	0	0.0%
43-Furs & artificial fur	11	11	3	10	20	10	0	0.0%
13-Gums resins & extracts	11	12	5	3	20	21	0	0.0%
68-Stone cement articles	10	9	3	8	17	13	0	0.0%
17-Sugars & confectionery	10	10	0	10	10	1	0	0.0%
19-Cereal & flour preparations	10	10	0	10	10	2	0	0.0%
91-Clocks & watches	10	10	0	10	10	1	0	0.0%
92-Musical instruments	10	10	0	10	10	4	0	0.0%
33-Cosmetics & essential oils	10	7	8	1	20	48	9	0.0%
96-Misc manufactured goods	10	10	5	4	20	13	0	0.0%
6-Live plants bulbs & flowers	10	8	7	0	23	39	9	0.0%
40-Rubber & articles	9	10	2	4	15	28	3	0.0%
5-Animal products n.e.c.	9	10	3	3	11	7	4	0.0%
35-Enzymes & modified starches	9	7	3	0	12	13	0	0.0%
52-Cotton	9	14	7	0	40	22	7	0.0%
64-Footwear & parts	9	9	1	6	10	18	0	0.0%
31-Fertilizers	9	13	14	4	50	9	9	0.0%
51-Wool & animal hair	9	18	8	1	38	33	202	0.6%
83-Misc metal articles	9	8	1	7	9	17	1	0.0%
70-Glass & glassware	8	8	4	0	14	28	0	0.0%
41-Hides skins & leather	8	7	3	5	14	45	21	0.1%
18-Cocoa & preparations	8	8	0	8	8	1	0	0.0%
53-Vegetable textile fibres	8	8	0	8	8	1	0	0.0%
58-Special fabrics & lace	8	8	0	8	8	3	0	0.0%
60-Knitted fabrics	8	8	0	8	8	5	0	0.0%
89-Ships & boats	8	8	0	8	8	2	1	0.0%
82-Tools & cutlery	8	8	0	7	8	34	1	0.0%
34-Soap & cleaning products	8	10	2	6.5	10	19	0	0.0%
69-Ceramics	8	8	1	7	10	16	1	0.0%
67-Feathers & artificial flowers	8	8	1	6	8	6	0	0.0%
39-Plastics & articles	8	7	2	0	10	111	27	0.1%
59-Coated & industrial textiles	7	8	2	0	8	16	0	0.0%
87-Vehicles & parts	7	13	4	6	15	141	27	0.1%
42-Leather goods & travel items	7	7	1	6	10	20	0	0.0%
62-Non-knitted apparel	7	8	2	6	12	81	1	0.0%
46-Straw basketware wickerwork	7	7	0	7	7	4	0	0.0%
38-Chemical products n.e.c.	7	10	2	3	13	61	45	0.1%
73-Iron & steel articles	7	6	2	3	8	62	8	0.0%
32-Dyes pigments paints	7	6	2	0	10	26	21	0.1%
3-Fish crustaceans & molluscs	7	5	3	0	10	17	22	0.1%
61-Knitted apparel	7	6	1	6	10	70	0	0.0%
76-Aluminium & articles	6	6	2	1.5	9	34	40	0.1%

Product (HS 2-digit)	Simple average tariffs	Weighted average tariffs	Standard Deviation	Minimum Rate	Maximum Rate	Nbr of Total Lines	Imports from South Africa (USD million)	Share of total imports from South Africa
12-Oil seeds & industrial plants	6	4	7	0	30	70	133	0.4%
84-Machinery & mechanical equipment	6	6	4	0	25	439	22	0.1%
27-Mineral fuels & oils	6	5	2	3	8	13	259	0.8%
54-Man-made filaments	6	5	1	5	8	12	0	0.0%
55-Man-made staple fibres	6	5	1	5	8	3	3	0.0%
56-Wadding felt ropes	6	5	1	5	8	3	0	0.0%
63-Made-up textiles & rags	6	6	0	6	6	16	0	0.0%
66-Umbrellas & walking sticks	6	6	0	6	6	1	0	0.0%
78-Lead & articles	6	6	0	6	6	2	0	0.0%
79-Zinc & articles	6	6	0	6	6	3	0	0.0%
81-Other metals & cermets	6	4	2	3	8	19	1	0.0%
65-Headgear	6	4	2	4	8	6	0	0.0%
29-Organic chemicals	5	5	1	2	6.5	115	29	0.1%
20-Fruit & vegetable preparations	5	5	2	5	15	40	9	0.0%
28-Inorganic chemicals	5	5	0	4	6.5	114	52	0.2%
48-Paper & paperboard	5	6	1	2	6	24	11	0.0%
16-Meat & fish preparations	5	5	0	5	5	1	0	0.0%
72-Iron & steel	5	2	2	0	8	81	2083	6.5%
74-Copper & articles	5	2	3	1	9	38	972	3.0%
85-Electrical equipment	4	2	4	0	15	356	11	0.0%
49-Printed materials	4	5	3	0	6	19	0	0.0%
71-Precious stones & metals	4	1	6	0	21	54	15257	47.7%
95-Toys games sports goods	4	5	3	0	6	31	0	0.0%
23-Food waste & animal feed	4	4	2	2	5	2	39	0.1%
75-Nickel & articles	4	3	1	3	4	4	31	0.1%
25-Salt sulphur stone cement	3	3	1	0	5	25	125	0.4%
94-Furniture & lighting	3	5	4	0	10	17	0	0.0%
86-Railway equipment	3	3	0	3	3	3	1	0.0%
30-Pharmaceuticals	3	0	2	0	5	75	22	0.1%
90-Optical medical instruments	3	1	3	0	12	163	6	0.0%
44-Wood & wood products	2	0	3	0	12	163	72	0.2%
97-Art antiques collectibles	2	2	2	0	6	16	1	0.0%
88-Aircraft & spacecraft	2	1	1	1	2	2	1	0.0%
37-Photographic goods	1	2	2	0	5	10	0	0.0%
26-Ores slag & ash	0	0	1	0	3	28	11471	35.9%
47-Pulp & recovered paper	0	0	0	0	0	4	323	1.0%

Source: Author's construction based on UN Comtrade data