External trade

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EU-27 trade with South Africa fell sharply in 2009

In 2009, South Africa was the EU-27's 14th largest trade partner and the 2nd largest from Africa, close behind Algeria. EU-27 trade with South Africa changed dramatically from 2008 to 2009. Exports, which had fallen slightly in 2008, dropped by a further fifth in 2009; imports, which had risen steadily since 2003, fell by one third.

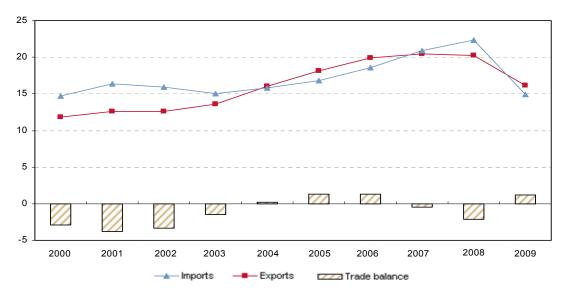
Germany was the largest EU trading partner with South Africa. German exports to South Africa fell by 20% and their imports by 26% from 2008 to 2009, resulting in its total trade with South Africa falling by EUR 2.6 billion. The UK, South Africa's second largest EU trading partner, saw its total trade with South Africa fall by EUR 3.0 billion, almost one third, in the same time.

In 2009, road vehicles and general industrial machinery were the most important EU-27 exports to South Africa. The most important imports were coal, coke and briquettes and non metallic mineral manufactured products. EU-27 trade with South Africa fell sharply in 2009, after a steady rise between 2000 and 2008

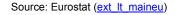
Between 2000 and 2008, the value of EU-27 trade with South Africa increased by 61% from EUR 26.5 billion in 2000 to EUR 42.6 billion in 2008. Exports grew by 71% and imports by 52% over this period. From 2008 to 2009, the international economic crisis changed things dramatically, with EU-27 exports to South Africa falling by 20% and imports by 33%. These decreases were bigger than the decreases seen in total extra-EU exports (-16%) and imports (-23%).

Despite its exports to South Africa falling by 20% and its imports by 26% in 2009, Germany was the largest EU trading partner and by far the largest exporter. Germany also had the largest positive trade balance with South Africa of all Member States. By contrast, the UK, the second largest EU trading partner and the biggest importer of South African goods, recorded the largest trade deficit.

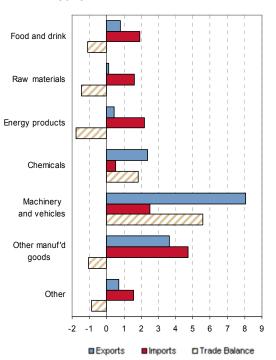








EU-27 trade deficits in all product groups except chemicals and machinery and vehicles



Graph 2: EU-27 trade with South Africa by SITC product group, 2009 - value in billion euro

Source: Eurostat (DS 018995)

Machinery and vehicles and chemicals were the only two product groups which showed a positive trade balance with South Africa in 2009. Germany took the lion's share in the exports of chemicals, followed at some distance by France. The most exported product group within chemicals was medicinal and pharmaceutical products, with a little less than one third. France, the UK, Germany and Belgium were the principal exporters of these products, together accounting for over two thirds of these exports to South Africa. In 2009, the EU-27 imports from South Africa were more than double the value of the exports for food and drink, raw materials and energy products. This resulted in large trade deficits with South Africa for these product groups.

In the energy products category, imports were dominated by coal, despite a fall of 41% in imports of these products from South Africa between 2008 and 2009. In 2009, two thirds of these imports were made up of bituminous coal. The biggest EU-27 importers of South African coal were the Netherlands (31%), with Italy (17%), Spain (11%) and France (10%) following with some distance.

On the food and drink sector, imports of vegetables and fruit fell by 12% from 2008 to 2009, but still amounted to 8% of total EU-27 imports from South Africa in 2009. The largest importers of these products were the Netherlands (EUR 512 million) and the UK (EUR 356 million). One quarter of the fruit and vegetables imports from South Africa was made up of fresh grapes, followed by oranges (17%), fresh apples (10%) and fresh pears (9%).

The largest imports of raw materials, despite a fall by 40% in 2009, were metalliferous ores and scrap. Germany stood for the largest share (37%), followed by the UK (30%). The largest product group was ores and concentrates of precious metals other than silver (with Germany as the largest importer), followed by not agglomerated iron ore and concentrates (with the Netherlands as the largest importer) and waste and scrap of platinum (with the UK as the largest importer).

Sorted diamonds, unworked or simply sawn, cleaved or bruted, made up close to 40% of the imports of other manufactured goods from South Africa, despite a fall in imported value of 37% from 2008 to 2009.

Table 1: EU-27 trade with South Africa by main products (SITC division), 2000-2009 - value in million euro

SITC divisions	Exports			Share in total extra-EU exports of product group		SITC divisions	Imports			Share in total extra-EU imports of product group	
	2000	2008	2009	2000	2009		2000	2008	2009	2000	2009
Total	11 810	20 222	16 103	1.4%	1.5%	Total	14 696	22 362	14 960	1.5%	1.2%
78 Road vehicles	1 723	3 109	2 276	2.3%	2.7%	32 Coal, coke and briquettes	1 432	3 483	2 064	21.6%	13.8%
74 General industrial machinery	790 1621 1246		1.7%	1.6%	66 Non-metallic mineral manufact., n.e.s	2 241	3 080	2 0 2 8	9.2%	10.9%	
77 Electrical machinery & apparatus	713 1261 1069		1.1%	1.5%	05 Vegetables and fruit	825	1 322	1 160	6.0%	6.1%	
75 Office & data-processing machines	874 944 887		3.1%	3.9%	28 Metalliferous ores and scrap	899	1 912	1 141	6.1%	6.8%	
72 Machinery for partic. industries	625	1 381	850	1.4%	1.5%	97 Gold, non-monetary (excl. ores, conc.)	1 886	982	1 056	23.0%	14.3%
54 Medicinal & pharma. products	498	716	740	1.5%	0.9%	74 General industrial machinery	804	1 886	1 027	3.0%	3.5%
66 Non-metallic mineral manufact., n.e.s	445	873	725	1.5%	3.0%	67 Iron and steel	937	2 316	1 000	7.6%	5.6%
71 Power-generating machinery	447	1 081	700	1.2%	1.4%	68 Non-ferrous metals	1 241	1 926	966	5.3%	4.4%
76 Telecom-, sound- & video-equipment	-equipment 1118 911 641 2		2.9%	2.2%	78 Road vehicles	713	927	819	1.9%	2.0%	
89 Miscell. manufactured articles, n.e.s.	manufactured articles, n.e.s. 407 612 573		1.2%	1.4%	11 Beverages	269	437	460	9.5%	10.9%	

Source: Eurostat (DS 018995)

Exports dominated by Germany in 2009 Table 2: EU-27 trade with South Africa by EU Member State, 2000-2009 - value in million euro

			EXPORTS	i i				IMPORTS	TRADE BALANCE				
	2000	2008	2009	Average annual growth rate 2000-2009	Share in EU-27 exports 2009	2000	2008	2009	Average annual growth rate 2000-2009	Share in EU-27 im ports 2009	2000	2008	2009
EU-27	11 810	20 222	16 103	3.5%	100.0%	14 696	22 362	14 960	0.2%	100.0%	-2 886	-2 141	1 143
Belgium	682	1 225	937	3.6%	5.8%	1 292	2 098	1 356	0.5%	9.1%	-609	-873	-420
Bulgaria	2	9	6	14.1%	0.0%	5	14	32	22.9%	0.2%	-3	-4	-25
Czech Republic	17	223	190	31.2%	1.2%	27	83	46	6.2%	0.3%	-10	140	145
Denmark	121	178	165	3.6%	1.0%	100	218	120	2.0%	0.8%	20	-41	46
Germany	3 736	7 098	5 643	4.7%	35.0%	2 943	4 198	3 092	0.5%	20.7%	793	2 900	2 551
Estonia	0	2	2	30.2%	0.0%	2	2	3	5.4%	0.0%	-2	-1	-1
Ireland	387	311	218	-6.2%	1.4%	100	115	100	0.1%	0.7%	288	196	118
Greece	12	41	41	14.1%	0.3%	61	95	48	-2.4%	0.3%	-48	-53	-8
Spain	313	644	547	6.4%	3.4%	745	1 555	798	0.8%	5.3%	-432	-910	-250
France	1 226	1 630	1 318	0.8%	8.2%	765	960	687	-1.2%	4.6%	461	670	631
Italy	996	1 432	1 077	0.9%	6.7%	2 447	2 637	1 641	-4.3%	11.0%	-1 451	-1 206	-564
Cyprus	1	1	0	-7.8%	0.0%	7	7	7	-0.6%	0.0%	-6	-6	-6
Latvia	0	4	4	40.7%	0.0%	1	2	1	6.1%	0.0%	0	2	3
Lithuania	0	1	3	31.1%	0.0%	3	7	4	3.9%	0.0%	-3	-6	-1
Luxembourg	12	20	31	11.0%	0.2%	3	2	4	5.2%	0.0%	10	18	27
Hungary	39	193	144	15.5%	0.9%	45	12	12	-13.8%	0.1%	-6	181	132
Malta	2	1	2	0.3%	0.0%	2	2	1	-5.8%	0.0%	0	-1	1
Netherlands (1)	832	1 560	1 570	7.3%	9.8%	851	2 702	1 996	9.9%	13.3%	-19	-1 142	-426
Austria	328	525	409	2.5%	2.5%	198	207	179	-1.1%	1.2%	131	318	230
Poland	15	220	245	36.1%	1.5%	86	277	242	12.2%	1.6%	-70	-57	4
Portugal	60	77	53	-1.3%	0.3%	134	333	183	3.5%	1.2%	-75	-255	-129
Romania	4	55	49	33.5%	0.3%	14	30	37	11.4%	0.2%	-10	25	13
Slovenia	9	25	18	7.8%	0.1%	9	25	7	-3.0%	0.0%	1	0	12
Slovakia	6	57	45	25.3%	0.3%	22	4	2	-23.8%	0.0%	-16	54	43
Finland	342	435	242	-3.8%	1.5%	33	108	45	3.5%	0.3%	308	327	197
Sw eden	374	1 068	755	8.1%	4.7%	86	419	255	12.8%	1.7%	287	649	500
United Kingdom	2 293	3 186	2 386	0.4%	14.8%	4 717	6 250	4 064	-1.6%	27.2%	-2 423	-3 064	-1 678

⁽¹⁾ Figures for Dutch trade are biased by the so-called "Rotterdam effect" (see the Methodological notes for more details) Source: Eurostat (DS 018995)

In 2009, road vehicles worth EUR 2.3 billion were the single most EU-27 exported product (at SITC division level) to South Africa. Germany was the leading exporter with 63% of these exports. In particular, its exports of cars for transport of persons made up one quarter alone and, defying the general trend, grew by 6.5% in 2009. The UK followed next, with just over 11% of total EU-27 exports of road vehicles to South Africa.

The second most exported product, although a long way behind road vehicles, was general industrial machinery. Again, trade values in this sector fell by 23% between 2008 and 2009. Exports in this product group were not dominated by any specific product, but were spread over a wide variety over industrial machinery. Germany was by far the largest exporter in 2009, with 43% of all EU-27 exports to South Africa in this product group. Exports of these products also represented an important share of their exports to South Africa for Italy and France.

Germany also dominated exports of the third most exported product, electrical machinery, apparatus and appliances. German exports in this category amounted to EUR 442 million, followed by French (EUR 116 million) and Dutch exports (EUR 88 million).

Table 3:	Top 3 trade products (SITC division) by top 10 declaring Member State, 2009
	- % of Member State's export to/import from South Africa

		EXPORTS		IMPORTS								
	Product 1	Product 2		Product 3		Product 1	Product 2		Product 3			
EU-27	Road vehicles	14%	General industrial machinery	8%	Electr. machinery & apparatus	7%	Coal, coke and briquettes	14%	Non-metallic mineral manufactures, n.e.s.	14%	Vegetables and fruit	8%
Germany	Road vehicles	25%	General industrial machinery	10%	Electr. machinery & apparatus	8%	Gold, non-monetary (excl. ores & concen.)	14%	Road vehicles	14%	Metalliferous ores and scrap	14%
United Kingdom	Non-metallic mineral manufactures, n.e.s.	19%	Road vehicles	11%	Beverages	7%	Non-metallic mineral manufactures, n.e.s.	44%	Non-ferrous metals	9%	Vegetables and fruit	9%
Netherlands	Office machines, autom. data-processing	20%	Petroleum and petroleum products	9%	Telecom-, sound- and video-equipment	7%	Coal, coke and briquettes	32%	Vegetables and fruit	26%	Metalliferous ores and scrap	9%
Italy	General industrial machinery	15%	Machinery for partic. industries	13%	Electr. machinery & apparatus	7%	Gold, non-monetary (excl. ores & concen.)		Coal, coke and briquettes	21%	Iron and steel	13%
Belgium	Medicinal & pharma. products	10%	Iron and steel	8%	Road vehicles	7%	Non-metallic mineral manufactures, n.e.s.	15%	Iron and steel	12%	Coal, coke and briquettes	10%
France	Medicinal & pharma. products	11%	General industrial machinery	9%	Electr. machinery & apparatus	9%	Coal, coke and briquettes	30%	Electr. machinery & apparatus	13%	General industrial machinery	8%
Spain	Road vehicles	26%	General industrial machinery	7%	Medicinal & pharma. products	6%	Coal, coke and briquettes		General industrial machinery	16%	Fish, crustaceans and molluscs	10%
Sw eden	Machinery for partic. industries	9%	Telecom-, sound- and video-equipment	9%	Other transport equipment	9%	Beverages	26%	Iron and steel	23%	Road vehicles	20%
Austria	Pow er-generating machinery	23%	Electr. machinery & apparatus	14%	Road vehicles	8%	Crude fertilizers and minerals	14%	Road vehicles	8%	Iron and steel	7%
Poland	Office machines, autom. data-processing	21%	Paper, paperboard and articles thereof	12%	Road vehicles	11%	General industrial machinery	29%	Road vehicles	24%	Petroleum and petroleum products	20%

Source: Eurostat (DS 018995)

METHODOLOGICAL NOTES

Data source: Eurostat's free dissemination database. A code (such as 'DS_018995') is inserted as part of the source. This hyperlinked code allows the reader to easily access the most recent data on the Eurostat website. The data on the website is frequently updated and may also be more detailed or have a different measurement unit.

Reporting countries:

EU-27: Belgium, Bulgaria, the Czech Republic, Denmark, Germany, Estonia, Ireland, Greece, Spain, France, Italy, Cyprus Latvia, Lithuania, Luxembourg, Hungary, Malta, the Netherlands, Austria, Poland, Portugal, Romania, Slovenia, Slovakia, Finland, Sweden and the United Kingdom.

Concepts and definitions: EU data are compiled according to community guidelines and may therefore differ from national data published by Member States. For further information, please refer to the following documents: External trade statistics - Metadata in Euro SDMX Metadata

External trade statistics - Metadata in Euro SDMX Metadata Structure (ESMS):

http://epp.eurostat.ec.europa.eu/cache/ITY_SDDS/en/ext_esms .htm Statistics on the trading of goods - User guide: <u>http://epp.eurostat.ec.europa.eu/cache/ITY_OFFPUB/KS-BM-06-001/EN/KS-BM-06-001-EN.PDF</u>

The "Rotterdam effect": Dutch extra-EU imports are overestimated due to the 'Rotterdam effect': Goods destined for the EU arrive in Dutch ports and are declared as imports by the Netherlands. This reduces the extra-EU imports to the Member States to which the goods are re-exported, as these are recorded as arrivals from the Netherlands, rather than from an extra-EU partner. Total extra-EU imports are thus correct. To a lesser extent, Belgian extra-EU imports are similarly overestimated.

Commodities classification:

4th revision of the Standard International Trade Classification (SITC): Food and drink = sections 0+1; Raw materials = sections 2+4; Energy products = section 3; Chemicals = section 5; Machinery and vehicles = section 7; Other manufactured goods = sections 6+8; Other = section 9.

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