REVIEWING THE ACHIEVEMENTS OF SOUTH AFRICAN AGRICULTURAL EXPORTS BETWEEN 1988 AND 1997

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This article is a first attempt to understand the importance of the different export destinations and export commodities for South African agriculture. This knowledge of agricultural trade movements will now make it possible to reprioritize efforts in an agricultural export promotion strategy. The article uses a technique called the 'growth-share' matrix which maps countries according to their significance in South Africa's current agricultural export picture (share) and the rate at which they are becoming increasingly more or less significant (growth) in South Africa's agricultural trade. Analysis on agricultural export share and growth shows that traditional export products and countries are still important, though steadily declining. Major shifts have taken place over the last decade, but especially after 1993. High growth export destinations has grown from a 3½ % share to almost 30% share (1992 to 1996). High growth export products has grown from 3½ % share to 33% share (1988 to 1996). The EU has systematically declined in importance as export destination. Africa has increased dramatically during the sanction years, but flattened after 1993, but it maintained a high base. South Africa's greatest opportunities for export growth are Asia and the Americas.

1. INTRODUCTION

In response to the process of deregulation and the political reforms of the early 1990's, the South African economy moved from a closed and regulated economy to an open and more market orientated economy. Increased exports were considered to be one of the most important vehicles for economic growth as outlined in the government's macro-economic policy, commonly known as GEAR. The political changes in South Africa contributed to a dramatic increase in agricultural exports since 1993. The increased participation of South African agriculture in world markets also highlighted South Africa's lack of knowledge of international agricultural trade and the inability to identify new export opportunities. On commodity level little knowledge existed about the international markets and government efforts were often done on ad hoc basis, lacking a systematic approach. The office of the deputy president (before elections) Thabo Mbeki, has called for a comprehensive government strategy on foreign relations.

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This article is a first attempt to understand the importance of the different export destinations and export commodities for South African agriculture. The article presents an overall view on historical trends in South African agricultural exports in an attempt to understand the shifts in agricultural exports that have taken place due to the influence of world markets on the demand for South African exports. This knowledge of agricultural trade movements will now make it possible to reprioritize efforts in an agricultural export promotion strategy. A similar attempt was made by the Department of Trade and Industry (DTI) to prioritize their foreign trade resources (Kuper & Cassim, 1996). This study, however does not attempt to provide a complete answer on potential export markets. This would require an analysis of world data as well as a study on consumption patterns in potential markets. The article is only an attempt to shed some light on the shifts in South African agriculture trade over the past decade. It can serve as a basis for discussion on the areas that need to be prioritized and focused on.

2. METHODOLOGY

This paper attempts to overlay South Africa's (SACU figures)³ agricultural export shares and export growth. The technique used is that of a 'growth-share' matrix which maps countries according to their significance in South Africa's current agricultural export picture (share) and the rate at which they are becoming increasingly more or less significant (growth) in South Africa's agricultural trade. Customs and Excise data were used, which only report trade statistics for all the countries in the Southern African Customs Union (SACU). However, it is now been estimated that more than 90% of SACU agricultural trade are accounted for by South African trade only. Therefore it can be assumed that the SACU figures are a more than sufficient representation of South Africa's trade situation.

In reading the growth performances one should clearly distinct between growth in exports and growth in export share. Growth in exports for the purpose of this study, implies annual growth in the value of exports in Rand (in nominal values - not deflated) usually summed for the relevant period (years) with a straight average giving the growth figure over the time period in question. Growth in export share refers to the growth in export value in Rand (nominal values) of a certain country or product as a percentage of the total export basket. This growth in share percentage for different years are then summed and a straight average taken over the relevant period. The "growth

³ *Agricultural export products as used in this study are products defined as agricultural products under the Agreement on Agriculture of the World Trade Organisation (WTO).*

in share" figure will then present a slope (straight line) on the rate that a particular export destination or commodity is becoming more or less significant in context of the total agriculture export basket. The growth in share is a much stricter measurement for growth and will indirectly neutralize the effect of inflation as well as to a certain extent take into account the changes in exchange rates on the growth figures, giving a much better indication of real growth.

Due to the variability of agricultural production, the possibility exists that the growth figures might not present a slope but rather just be an average of fluctuating figures. In order to confirm that the growth figures do indeed present a slope, graphs were drawn for 9 years (1988 - 1997), which was the time series available at the time of analysis. In almost all cases the graphs confirm that in general the "growth in share" indicators as well as the grouping of countries and products based on these figures, do indeed correspond with the time series data slopes of export growth. This method could therefore be used as a rough filter to classify countries according to their importance as export destination for South African agricultural exports.

At one end of the continuum we have identified a high share, high growth category of countries which should take priority for future efforts. At the other end of the spectrum is a range of low growth - low share markets which are the least urgent markets for South Africa to consider, at least in the medium term. Countries with very limited trade or relatively non-existent trade with South Africa have been excluded in order to provide simplicity and clarity. Approximately 99% of trade were covered by the country analysis and 90 to 99% by the product trade matrixes (depending on the aggregated level).

3. RESULTS OF THE WORLD GROWTH-SHARE MATRIX

The world matrix (Table 3) holds the lay for policy decision-makers since it provides a simple framework from which to determine relative market potential. If one looks at the world matrix it can be deduced which countries exhibit potential for South Africa.

3.1 Country analysis

World regional aggregations (Table 2) based on share and growth in agricultural exports show that the greater Asia is the most important group of agriculture markets and the Americas as the most significant emerging market for South African agricultural exports. The growth in exports to African

markets was rather poor since 1993 to 1996, after experiencing tremendous growth from a very low base in the era prior to 1993. Europe showed a constant long-term decline in agricultural export share.

Figure 1 reveals that during the last decade, especially after 1992, large shifts in SACU agricultural export destinations took place between continents and countries. Between 1992 and 1996 the share of agricultural exports to Europe compared to the total agriculture export basket declined from just below 60% to almost 40%. Exports to Asia gained from around 16% share to above 25% share of agricultural exports. The Americas raised from close to 7% in share to about 12%. Africa's share stayed more or less constant after 1993, but experienced high growth prior to 1992 in which trade picked up from about 8% share (1988) to almost 20% (1992).

Figure 1: Percentage agricultural exports from SACU to different continents

The post-sanction period from 1993/94 spurred a re-growth of exports to Asia and enhanced growth to the Americas at the cost of a decline in share to Europe and relative stagnant growth in export share to Africa. The growth in the Asian market could rather be considered as re-growth, since agricultural exports reached a low in the 1992 to 1993 period. The low Asian figures in the early 90's could have been the combined effect of sanctions, the political and

economic unstable climate as well as the 1992 drought, since large quantities of surplus-products such as cereals and sugar were usually exported to Asia.

The main export performers according to categorization of countries according to export share and growth in export share (see also Table 3) are:

Category A: Kenya, Iran, Brazil, Angola, Korea and Japan. These countries accounted for more than 20 % of SACU exports (Figures 2 and 3). Japan and Korea had a re-growth after 1993 (Figure 3). The combined growth of the countries (excluding Japan and Korea) increased from less than ¼% to 12% of the SACU export basket, a fifty fold increase in exports.

Figure 2: SACU agricultural exports (high share, high growth in share) Category A

Figure 3: SACU agricultural exports (high share, high growth in share) Category A

Figure 4: SACU agricultural exports (high share, medium growth in share) Category B

Category B: Zimbabwe, USA, Tanzania, Indonesia, UA Emirates, Venezuela, Sweden, Mexico, Canada, Macau and Malaysia (Figures 4 and 5). Besides Zimbabwe and the USA which showed medium growth after 1992, the other countries combined increased from approximately 1 % of the export basket in 1993 to a 10 % share in 1996, a tenfold increase in exports (Figure 5).

Figure 5: SACU agricultural exports (medium share, high growth in share) Category B

Category C: Netherlands, Belgium, Mozambique, New Zealand, Bulgaria, Russian Federation, Norway, Finland, Denmark, Kuwait, India, Philippines,

China, Paraguay, Colombia, Belize, Ghana and Côte d'Ivoire. (Figures 6 and 7).

Figure 6: SACU agricultural exports (high share, low growth in share) Category C

Figure 7: SACU agricultural exports (low share, high growth in share) Category C

Besides the Netherlands, Belgium and Mozambique which showed a low growth in share after 1992, the other countries combined increased from approximately ½ % share in 1992 to 5 % in 1996, a tenfold increase in exports (Figure 7).

Focusing more on Asia the main performers were:

- North East Asia where re-growth from important destinations such as Japan and Korea (from a high share base) were experienced;
- South East Asia (from a medium share base) mainly as a result of increased exports to Malaysia, Indonesia, Macau, China and the Philippines.
- South Asia (from a low share base) mainly India.

China (mainland) and China 3 (Macao, Hong Kong and Taiwan) as a group showed relatively slow growth in agriculture export share, but nevertheless has large potential due to their high economic growth rates and population. Viewing Macao and China mainland separately we found that both have experienced high growth in export shares. In the Americas as a group, growth in export share took place from a medium share base with the main contributors to growth being mainly the USA (high market share category), Brazil, Mexico and Venezuela (medium share group) and Colombia and Paraguay in the low market share grouping.

Generally these trends show tremendous changes in the composition of export markets for SACU agriculture over the last decade. It is especially Africa and the Americas, which have shown a sharp increase over the last decade in exports and Asia since 1993. Exports to the Americas and Asia are still growing steadily after 1993. This confirms that exports to non-traditional export destinations have become more and more important.

Nevertheless Table 1 shows that over the short term, with the devaluation of the Rand and the currency crises in Asia, which had a ripple effect on developing economies, the European markets showed stability with their relative growth in share improving during 1997/1998. During 1997 the adverse effects of the Asian crises started to show its effect on the Asian countries and other emerging markets resulting in a drop in export growth to Iran, Malaysia, Korea and Japan. Other developing countries, Brazil, Angola, Malawi and Mozambique also showed decline in growth for 1997/98. This trend as well as low commodity prices on world markets had a detrimental effect on some of the main traditional export commodities to Asia, Africa and

South America such as sugar, cereals, milling products, beverages and spirits (Table 4). During the slump in the Asian market Kenya, Saudi Arabia, Italy, Canada, US, Zimbabwe, Belgium, Mauritius and Spain were stable higher growth performers. Very huge European markets like the UK (14%) and Germany (6%) also proved to be stable markets during these adverse times and were among the better performers in 1996/97 (Table 1). However these trends are expected to be only short term. On the longer term Europe shows a progressive decline in export share (Figure 1).

Table 1: Ranking export destination according to growth in SACU exports: 1992 to 1997

Country	Avg Growth (92-97)	Rank (92-97)	Growth (96-97)	Rank (96-97)	% of exports (92-97)
> 1% of agriculture exports					
High growth					
Iran, Islamic Republic of	>100	1	-15	20	1.55
Malaysia	>100	2	-38	22	1.07
Brazil	>100	3	-25	21	2.54
Kenya	>100	4	596	1	2.12
Korea, Republic of (South)	>100	5	-45	25	1.60
Canada	91	6	29	6	1.11
Japan	57	7	-42	23	7.26
Medium growth					
Saudi Arabia	50	8	221	2	2.14
United States	44	9	10	12	3.31
Angola	43	10	-42	24	3.60
Zimbabwe	32	11	20	8	2.06
Italy	31	12	77	4	4.66
Low growth					
Mauritius	27	13	17	9	1.50
Netherlands	25	14	8	14	3.17
Malawi	20	15	-6	19	1.16
Belgium	19	16	24	7	7.68
Mozambique	15	17	-5	18	5.41
Very low growth					
France	14	18	4	15	2.56
United Kingdom	12	19	30	5	14.41
Zambia	11	20	3	16	1.77
Spain	11	21	17	10	1.25
Switzerland	10	22	9	13	1.29
Hong Kong	8	23	-3	17	1.83
Germany	4	24	12	11	6.55

Table 2: World regional matrix

Growth in share of agricultural exports (SACU figures 1992 to 1996)					
Average export share (SACU figures 1992 to 1996)		High growth 25 %	Medium growth 10 - 25 %	Low growth 0 - 10 %	Negative growth < 0 %
	High share **(> R1 billion)		Far East Asia *[R1,3 bill (17 %), 24 %]	South of Sahara *[R1,5 bill (20 %), 2 %]	Western Europe *[R3,4 bill (44 %), -9 %]
	Medium share (> R0,1 billion)	South America *[R0,3 bill (4 %), 95 %] ROW *[R0,1 bill (2 %), 88 %]	North and Central America *[R0,4 bill (5 %), 22 %]	Middle East *[R0,5 bill (6 %), 7 %]	
	Low share (< R100 million)	South Asia *[R45 mill (6 %), 36 %] Central and Eastern Europe *[R45 mill (6 %), 44 %] Oceania *[R34 mill (0,4 %), 35 %] Russian Fed. *[R41 mill (0,3 %), >100 %] North Africa *[R9 mill (0,1 %), 37 %]			

*[Share of total exports in Rand (% Share), Growth in Share %]

** 1 billion = 1 000 million

ROW = Rest of World

Table 3 World matrix by individual country

Growth in share of agricultural exports (SACU figures 1992 to 1996)					
Average export share (SACU figures 1992 to 1996)		High growth 25 %	Medium growth 10 - 25 %	Low growth 0 - 10 %	Negative growth < 0 %
	High share > R100 million	Angola *[3,4 %, 39 %] Kenya *[1,39 %, > 100 %] Brazil *[2,79 %, > 100 %] Japan *[8,2 %, 27 %] South Korea *[1,8 %, 76 %] Iran *[1,4 %, > 100 %] A	Zimbabwe *[1,9 %, 13 %] USA *[3,2 %, 11 %] Saudi Arabia (97 data) Italy (97 data) Angola (97 data) B	Mozambique *[5,6 %, 0 %] Belgium *[8,1 %, 2 %] Netherlands *[3,2 %, 3 %] C	Zambia *[1,8 %, -1 %] Hong Kong *[1,8 %, - 8 %] Saudi Arabia *[1,8 %, - 5 %] UK *[14,2 %, -13 %] Germany *[7 %, - 17 %] Italy *[4,1 %, - 2 %] France *[2,7 %, - 8 %] Switzerland *[1,4 %, - 11 %] Spain *[1,3 %, -16 %] D
	Medium share > R30 million	Tanzania *[0,5 %, >100 %] Canada *[1,1 %, 36 %] Mexico *[0,5 %, >100 %] Venezuela *[0,5 %, >100 %] Malaysia *[1,2 %, >100 %] Macao *[1,1 %, >100 %] Indonesia *[0,5 %, >100 %] UA Emirate *[0,5 %, 45 %] Sweden *[0,5 %, >100 %] B	Turkey *[0,5 %, 17 %] C	Zaire *[1,1 %, 2 %] Malawi *[1,1 %, 8 %] Singapore *[0,8 %, 0 %] D	Reunion *[0,9 %, 22 %] Taiwan *[0,9 %, 7 %] Israel *[1,1 %, -8 %] Bahrain *[0,6 %, -8 %] Portugal *[0,5 %, -16 %] Austria *[0,5 %, -25 %] E
	Low share > R10 million	Côté d'Ivoire Ghana Belize Colombia Paraguay China Philippines India Kuwait Denmark Finland Norway Russian Fed. Bulgaria New Zealand C	Australia *[0,3 %, 23 %] D	Mauritius *[0,3 %, 10 %] Sri Lanka *[0,3 %, 10 %] E	Seychelles *[0,3 %, -8 %] Comoros I. Fed. Rep. *[0,2 %, -4 %] Argentina *[0,4 %, -19 %] Greece *[0,2 %, -10 %] F

"Growth" refers to growth in export share.

* [Share of total exports in %, Growth in Share %]

Generally the statistics and analysis suggest significant changes in the importance of markets since the early 1990's. If for instance the few high growth countries selected by the results are added up, their shares in export grew from a 3½ % share to almost 30% in 4 years (1992 to 1996) (Figures 2, 5 and 7). These are all relatively new markets.

3.2 Commodity analysis

The two major export commodity groupings; Prepared Foodstuffs (section IV) and Vegetable products (section II - including grains) have contributed the most to the growth in export share (Figures 8 and 9). Together they showed more than 15% gain in share of the total SACU agricultural exports for the last decade. This gain in share was at the cost of Textiles and Textile Articles (Section XI - mainly wool and animal hair) and Raw Hides and Skins (Section VII), which together have declined from 25% of share in 1988 to 10% of share in 1996.

The Prepared Foodstuff (Section IV) section was the high export share commodity group, which has shown the fastest growth after the sanction period. Prepared Foodstuffs include preparations of meat, sugars, cocoa products, preparations of cereals, preparation of vegetables fruit and nuts, beverages, spirits, vinegar, prepared animal feed and tobacco. The growth in share in Prepared Foodstuffs was also at the cost of growth in export share of the Vegetable Section (Fig. 8 and 9).

Figure 8: Section IV; Prepared foodstuffs

Figure 9: Section II; Vegetable products (including grains)

The main contributors in the Prepared Foodstuff Section on a 2 HS product code level were beverages, spirits and vinegar, with a 28% growth in share with a relatively high base (more than 10% of agriculture exports in value terms) (Figure 10).

Figure 10: Percentage agricultural exports (2 tariff code) from SACU high share and high growth in share (Category A)

Figure 11: Percentage agricultural exports (2 code) from SACU. High share and medium growth in share. (Category B)

Beverages are the largest group of products (12% share) that has showed a high growth in share (larger than 25%). Beverages increased from approximately 2 % of agriculture exports to close to 15% of agriculture exports in value terms within less than a decade (1988 to 1996) (Figure 10). It can with confidence be argued that the increase in wine exports in the post-sanction era was the main contributor to this growth. Other important contributors to growth in the Prepared Foodstuffs Section were sugars and sugar confectionery, cocoa and cocoa preparations, preparations of meat and fish, miscellaneous edible (food) preparations and tobacco products, preparations of cereals, starches and milk products, and preparations of meat and fish (Tables 4 and 5).

Table 4: Growth in SACU exports per product: 1992 to 1997

Product (2 HS code) and description	Avg. growth 1992-1997	Growth 1996/1	R ' 000 000 avg. 92-97	% of exports
<i>>1% of agricultural exports</i>				
High growth				
10 Cereals	199	-25	957	11.50
17 Sugar confectionery	91	-6	722	8.68
07 Vegetables..	82	83	304	3.65
18 Cocoa and cocoa preparations	67	35	86	1.03
21 Miscellaneous edible preparations	52	23	139	1.67
22 Beverages, spirits and vinegar	47	-8	906	10.89
Medium growth				
12 Oilseeds and oleaginous fruit	32	16	148	1.78
04 Dairy	28	11	156	1.87
11 Milling products	20	-31	228	2.74
Low growth				
41 Raw hides and skins	18	-2	340	4.09
06 Live trees plants	17	6	118	1.42
08 Fruit & nuts	12	30	2086	25.06
20 Preparations of vegetables	12	8	930	11.17
Very Low growth				
15 Animal and vegetable fats & oils	10	3	198	2.38
02 Meat	7	-32	225	2.70
51 Wool, animal hair	4	0	379	4.55

Table 5 Growth in share of agricultural exports (SACU figures 1992 to 1996)

4 TARIFF CODE					
Average export share (SACU figures 1992 to 1996)	High growth > 25 %		Medium growth 10 - 25 %	Low growth 0 - 10 %	Negative growth < 0 %
	High Share (70%) > 100 million	1005 Maize (Corn)... *[R840 mill (10,9 %), >100 %] 1701 Sugar... *[R556 mill (7,2 %), 29 %] 2204 Wine... *[R397 mill (5,1 %), 43 %] 2207 Ethyl alcohol... *[R264 mill (3,4 %), 92 %] A	1101 Wheat flour... *[R115 mill (1,5 %), 8,9 %] B	4102 Raw skins of sheep... *[R190 mill (2,5 %), 2,8 %] 2203 Beer... *[R168 mill (2,2 %), 1,9 %] 4101 Raw hides and skin... *[R107 mill (1,4 %), -1,7 %] C	805 Citrus #8,6 %, -13 %] 808 Apples, pears #7 %, -15 %] 2008 Fruit, nuts #7 %, -8 %] 806 Grapes #5,7 %, -2 %] 5101 Wool #3,8 %, -18 %] 2009 Fruit juices #3,3 %, -8 %] 0201 Meat #1,4 %, -13 %] D
	Medium Share (80%) > 50 million	0703 Onion, garlic... *[R757 mill (1 %), >100 %] 2402 Cigars... *[1 %, >100 %] 1806 Chocolate... *[R66 mill (0,9 %), 42 %] 1103 Cereal groats... *[R59 mill (0,8 %), >100 %] 0202 Meat of bovine animals, Frozen... *[R50 mill (0,7 %), 18 %] B	0402 Condensed Milk and cream... *[R85 mill (1,1 %), 12 %] 1512 Sunflower... *[R58 mill (0,8 %), 14 %] C	1202 Groundnuts... *[R72 mill (1 %), 7 %] 5102 Animal hair... *[R55 mill (0,7 %), 5 %] 2401 Tobacco... *[R53 mill (0,7 %), 5 %] D	0804 Fruit (dates, figs, pineapples, ...) *[1,1 %, -6 %] 0800 Apricots, cherries... *[1,1 %, -18 %] 2202 Waters... #1 %, -9 %] 0603 Cut flowers... #0,8 %, -3 %] 1704 Sugar confectionery... #[0,8 %, -6 %] E
	Low Share (90%) > 20 million	0807 Melons... *[R26 mill (0,3 %), >100 %] 1703 Molasses... *[R25 mill (0,3 %), 45 %] C	0207 Meat... *[R22 mill (0,3 %), 11 %] D	2106 Food prep... #0,6 %, 1 %] 2007 Jams, jellies... #0,5 %, 7 %] 2208 Ethyl alcohol... #0,5 %, 9 %] 3301 Essential oils... #0,4 %, 1 %] 0604 Foliage... #0,3 %, 7 %] 0813 Fruit, dried ... #0,3 %, 1 %] D	0710 Vegetables... #0,5 %, -12 %] 1905 Bread, cakes, #0,5 %, -3 %] 2005 Other vegies... #0,4 %, -5 %] 904 Pepper... #0,4 %, -1 %] 1508 Groundnut oil #[0,4 %, -14 %] (2304 oilcake?)... #0,3 %, -23 %] 1209 Seeds ... #0,3 %, -8 %] 1517 Margarine... #0,3 %, -12 %] (0505 Skins?)... #0,3 %, -8 %] F

* [Share of total exports in Rand (% share), Growth in Share %]

[% Share, Growth in share %]

The growth in share of sugars is more likely to be a re-growth or cyclical trend, while the other products showed a definite constant growth in export share over the last decade (Figure 11). Another major category in the Prepared Food Section showing low to stagnant growth (taking inflation into account) and a declining share in growth of export value was Preparations of Vegetables and Fruit (20) (including fruit juices). However, some of the individual products, especially mixed juices, performed well.

The main export performers according to categorization of commodities according to export share and growth in export share (see Table 5) are:

Category A: Ethyl alcohol, wine and maize and sugar (the last two commodities showed re-growth cyclical trends) (Figures 10 and 11);

Category B: Cereal groats, chocolate, cigars and cigarettes, onions, shallots and garlic and wheat and meslin flour (Figures 12);

Category C: Molasses, sunflower seed, beer, melons and milk and cream (Figure 13).

Figure 12: Percentage agricultural exports (4 tariff code) from SACU. High share and medium growth in share and medium share and high growth in share. (Category B)

Figure 13: Percentage agricultural exports (4 tariff code) from SACU. (Category C, excluding Raw skins)

Exports of Vegetable Products (Section II - including grains) to Asia showed some re-growth since 1992. This could mainly be the result of the cyclical nature of exports of the largest commodity group in this section, namely cereals. Increases in surplus exports in cereals after the 1992 drought also created this appeared growth rate in cereals, which is similar to that of sugar. The high growth rate of more than 100 % obtained for cereals (Table 5) is therefore over-rated, especially in the light of long-term trends showing huge fluctuations. Nevertheless, cereals remain a very important export commodity, which contributed to over 11% of the total agriculture exports in value. By far the largest export product group on 2 HS level (08), Edible Fruits and Nuts (25% of total agriculture exports) showed a steady decline in share of exports between 1992 to 1996, of which the major export destination is to Europe and relative smaller percentages to Asia.

The share of the high growth products (excluded Cereals and Sugar) increased from approximately 3.5% to 33% in a decade (1988 to 1996). This tenfold increase in share was from the products (4 HS code); alcohol, wine, cereal groats, chocolates, cigars and cigarettes, onions and shallots, garlic and wheat flour. The growth in new destinations were relatively more spectacular since 1993 than those of commodities. This was due to faster growth of new markets possibly due to trade diversion and higher returns on some export

destinations. Commodities experienced a relatively lower rate of diversification in production and exports than those for export destinations.

4. CONCLUSIONS

Analysis suggests that the need has arisen for South Africa to extent its strategic focus to other markets. The significance of less traditional and new markets for South Africa is increasing considerably, which will necessitate a change in governments' focus and good relations with these countries will instigate future export growth.

Analysis on export share and growth shows that traditional export products and countries are still important, though steadily declining. Major shifts have taken place over the last decade, but especially after 1993. High growth export destinations has grown from a 3½ % share to almost 30% share (1992 to 1996). High growth export products has grown from 3½ % share to 33% share (1988 to 1996).

The EU has systematically declined in importance as export destination. Africa has increased dramatically during the sanction years, but flattened after 1993, but it maintained a high base. South Africa's greatest opportunities for export growth are to Asia and the Americas. Developing countries in these areas also has great potential growth prospects as markets, especially with their high population combined with trends on economic growth and the increasing rate of urbanization.

Traditional surplus removal products like sugar and grain showed a cyclical trend with apparent re-growth after 1993. Fruit, the largest export product grouping, exported mainly to Europe showed a declining growth in share. It is mainly commodities in the Prepared Food Section which have shown the majority of sustainable growth in exports.

5. RECOMMENDATIONS

The study clearly indicates that changes in trade growth and trade diversion have been so dramatic, especially since 1993, that it has major implications for setting priorities in trade promotion and development as well as focusing government policies with respect to a foreign trade strategy.

The study is a rough method to obtain a framework and overview of historical South African export trends. Results and shortcomings of the research has created a need for further research, by using alternative methods and data,

with respect to the identification of optimal diversification of South African agricultural exports in relation to world growth. Since the writing of this article research has been undertaken in this respect and can be obtained on www.nda.agric.za (Intl. Trade and then research papers): "Strategic Market Research on South African Exports - A Focus on Agriculture". However, even this research has to be refined with the experience of the industries. The combined results will be a sound platform to identify the optimal export diversification and to develop bilateral trade maps, which will be the basis to design foreign trade strategies for South African agriculture.

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