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The untapped export potential of South Africa

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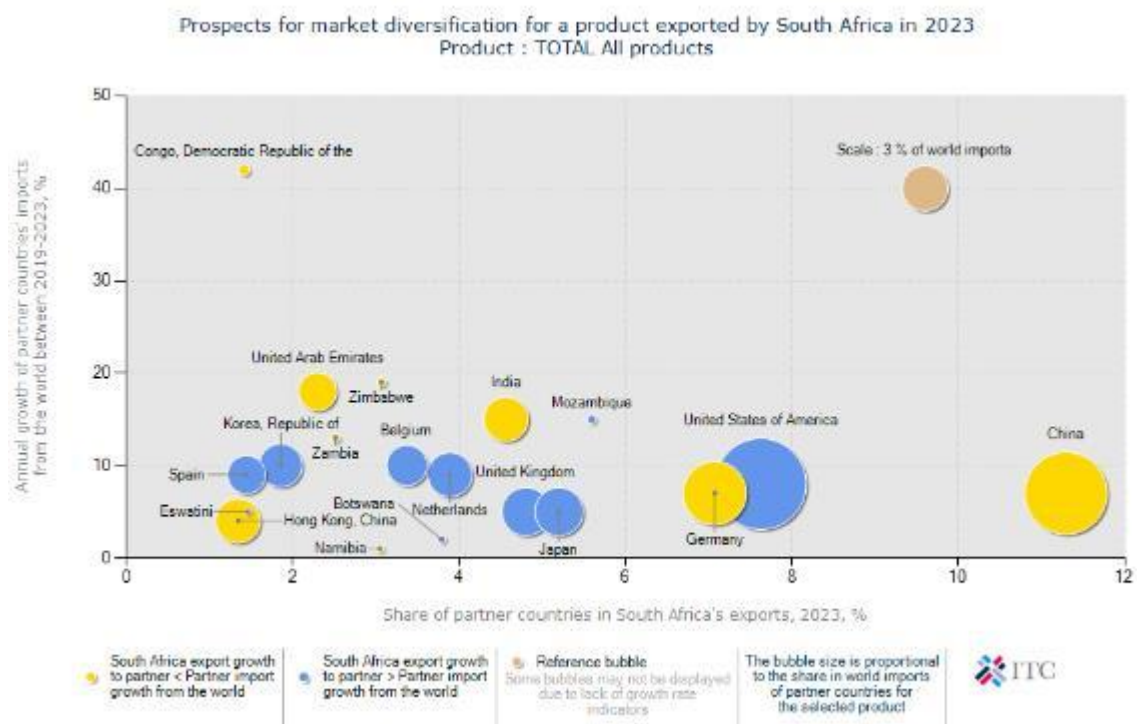
South Africa has significant export potential that it is not fully realizing. Our analysis of the country's trade markets reveals opportunities for increased exports through better market intelligence and strategic initiatives. This analysis investigates South Africa's export performance by market, identifies gaps between the actual and potential exports, and highlights key opportunities for growth. This article explores these opportunities and the challenges that need to be addressed to enhance the country's export performance.

Introduction

South Africa has substantial export potential that remains underutilized across several global markets. Despite strong trading relationships with countries like China, Germany, and the United States, there are notable gaps between current exports and projected potential. Our recent market analysis using the International Trade Centre's Trade Map reveals key opportunities to diversify export destinations, boost competitiveness, and respond to shifting geopolitical dynamics. This analysis also highlights emerging challenges, including the potential impact of US tariff changes, which could influence trading patterns soon. The findings emphasize the need to enhanced market intelligence, export support programs, and strategic policy alignment to unlock new markets and consolidate gains in existing ones.

South Africa's export market diversification prospects for all products

In 2023, the performance of South African exports varied by market. Figure 1 highlights each partner country's export share and South Africa's top export destinations for every product category. Between 2019 and 2023, South Africa's exports fluctuated in response to global import demand. The colour coding in Figure 1 distinguishes between markets where South Africa's export growth lags (yellow) or outpaces (blue) the country's overall import growth. The bubble size represents each country's share of global imports, with brown representing the 3% world trade benchmark. This visualization helps identify areas where exports are underperforming relative to market potential^{1,2}



Source: International Trade Centre (ITC) calculations based on South African Revenue Services (SARS) statistics, (2025)

Strong presence in key markets and opportunities for expansion

South Africa has a strong trading relationship with China, Germany, and the United States (US), as evidenced by the substantial portion of its exports that travel to these countries. Major trading partners (Germany and the US) have a moderately growing import demand but a significant export share of about 8%. The United Arab Emirates (UAE), Zambia, Zimbabwe, and the Democratic Republic of the Congo (DRC) all exhibit greater rates of global import growth presenting expansion opportunities for South Africa. Additionally, economic trends in Mozambique and India indicate favourable conditions for increasing exports. South Africa may be able to increase its exports to these nations.

However, recent developments regarding the reintroduction of tariffs by the United States Trade Representative (USTR) in 2025, particularly on steel, aluminium and automotive imports, could impose to challenge South Africa's export performance in the American market. Intensified tariffs may reduce South Africa's competitiveness relative to other suppliers and could necessitate a stronger focus on alternative high- growth markets such as the European Union (EU), India and the United Arab Emirates (USTR, 2025).³

Analysis of South Africa's export potential by market

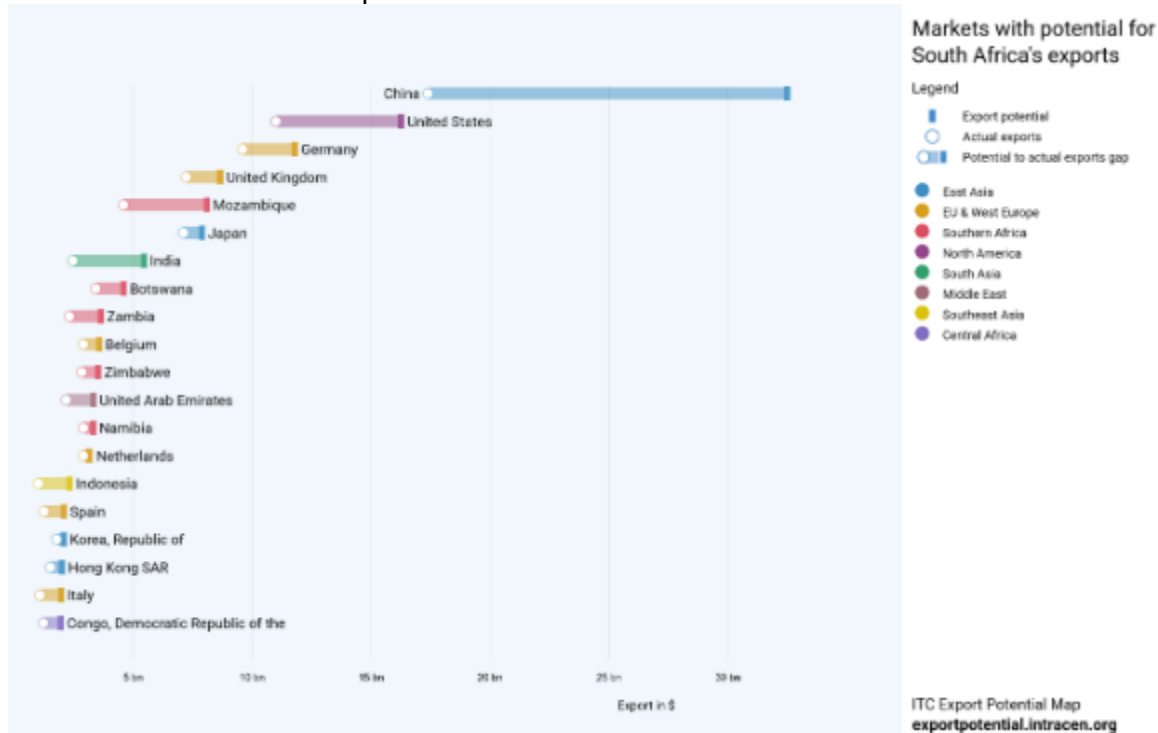
Figure 2 highlights the export potential, actual exports, and export gaps for South Africa in various markets.

Key markets with the highest export potential

1.Strong presence but unrealised potential

- **China:** \$32 billion export potential, with \$17 billion in actual exports and \$18 billion in unrealized potential.

- **United States:** \$16 billion export potential, with \$11 billion in actual exports and \$7.4 billion in unrealized potential.
- **Germany:** \$12 billion export potential, with \$9.6 billion in actual exports and \$5.8 billion in unrealized potential.
- **Mozambique:** \$7.8 billion export potential, with \$4.6 billion in actual exports and \$4.3 billion in unrealized potential.
- **United Kingdom:** \$8.4 billion export potential, with \$7.3 billion in actual exports and \$2.9 billion in unrealized potential.



[Export Potential Map](#), 2025⁴

2. Emerging opportunities in high-growth markets

South Africa could strengthen exports to rapidly growing markets such as India, the UAE, the DRC, and Indonesia. These countries show high import growth and relatively low current engagement from South Africa, indicating promising expansion prospects⁵.

3. Regional trade strength and infrastructure needs

SADC partners like Namibia, Zimbabwe, and Mozambique remain critical trade allies. However, limited growth in their import demand and infrastructure constraints highlight the need for regional integration investments—particularly in rail and port systems—to reduce export transaction costs.

Untapped opportunities and export gaps

South Africa has a significant export gap across several markets, specifically with China, South Africa could export substantially more than it currently does. This discrepancy between potential and actual exports indicates that there are unrealised prospects in several markets. Another market where actual exports fall short of potential is the US. However, ongoing trade tensions with the US, including the 2025 tariff increases on some key South African export products, introduce a degree of uncertainty about the future and realisation of this potential. Exporters targeting the US market will need to closely monitor policy changes and consider alternative market strategies to mitigate risks (USTR, 2025). While South Africa has more space to increase exports to European countries (such as Germany, Belgium, the Netherlands, Spain, and Italy),

India and Japan also offer substantial growth possibilities. To bridge these gaps, South Africa should concentrate on trade agreements, export assistance initiatives, and market access plans. While the US is among South Africa's top three export destinations, emerging tariff uncertainty due to recent US trade policy shifts poses risks. New protectionist policies or tariff adjustments could affect South African exports in automotive, citrus, and mineral sectors. A proactive response is needed.

Strong Southern African trade links

Key markets include a few nearby nations, including Namibia, Zambia, Zimbabwe, Mozambique, and Botswana. Due to trade agreements (Southern African Developing Countries (SADC), the African Continental Free Trade Area (AfCFTA) and geographic proximity, these are more easily accessible. The export potential gap is lower, though, suggesting that South Africa is already well-integrated into these markets. To improve supply chains, the country could fortify regional trade agreements and make investments in infrastructure and logistics. Improved rail and port infrastructure could further facilitate the efficiency of trade and reduce export costs ([UNESCAP, 2024](#))⁶.

Beyond the conventional partners, nations with substantial export potential that now receive less attention include the Democratic Republic of the Congo (Central Africa), South Korea and Hong Kong (East Asia), Indonesia (Southeast Asia), and the United Arab Emirates (Middle East). To lower trade obstacles, South Africa should intensify its market intelligence activities, target these markets with sector-specific export plans, and take advantage of trade agreements.

High potential sectors by market

Table 1 indicates potential markets by sector, target markets, and opportunities. The export potential gaps in different markets suggest that specific industries could drive South Africa's trade expansion.

Sector	Key target markets	Opportunities
Minerals & metals	China, India, Germany, USA, and Japan	High demand for gold, platinum, iron ore, & steel
Agricultural products	Netherlands, Belgium, UAE, China, & India	Strong export potential for citrus, wine, nuts, & grains
Automotive & machinery	USA, UK, Germany, & Germany	South Africa's auto sector (BMW, VW) has a strong foothold but can expand further
Chemical & pharmaceutical products	China, USA, & Germany	Demand for industrial chemicals, fertilizers, & pharmaceuticals is rising
Manufactured goods	USA, India, UAE, & Southern Africa	Scope to grow exports or textiles, electronics, & processed goods
Renewable energy & green technology	EU, USA, & China	Potential to export solar panels, batteries, & green tech solutions

Source: Authors own compilation

Conclusion

South Africa has clear export advantages but is falling short in meeting the growing demand in key markets. To bridge the gap between potential and actual exports, the following actions are recommended:

- Expand market intelligence capacity and data use among exporters.
- Leverage targeted trade agreements and reduce non-tariff barriers.
- Respond to US tariff changes with policy agility and market diversification.

- Support sector-specific export development programs in agriculture, manufacturing, and green technology.

By doing so, South Africa can reposition itself as a competitive, responsive, and inclusive global trading partner.