COUNTRY PROFILE REPORT OF ITJ DIVISION, DGCI&S
INDIA-SOUTH AFRICA BILATERAL TRADE RELATIONS

INTRODUCTION & BRIEF ECONOMIC OVERVIEW

1. The Republic of South Africa occupies the southern extremity of the African mainland. It is bordered by Namibia to the northwest, by Botswana and Zimbabwe to the north, by Mozambique to the northeast, and by Swaziland to the east. Lesotho is completely surrounded by South Africa. South Africa is a member of the UN, BIS, the Commonwealth (except during 1961-94), the African Union, the Southern African Development Community, the Non-Aligned Movement, the African Development Bank, the Antarctic Treaty and is an ACP member state of the ACP-EU relationship. South Africa played an active role in negotiating and drafting the Lusaka Ceasefire Agreement and was present when the document was signed on 10th July,1999. On 1st December, 1999 the eighth Regional Summit appointed Nelson Mandela facilitator of the Arusha peace process.

2. South Africa has a mixed economy and is recognised as the most industrialised, technologically advanced, and diversified and largest economy on the African continent. South Africa is the economic nucleus of African continent. After Post Financing Assessment Discussions with South Africa on September 4, 2024, members of IMF Executive Board Concluded that South Africa's economy has shown resilience in the face of massive disruptions, but persisting structural challenges risk a further erosion of living standards. Despite unprecedented electricity shortages and bottlenecks at rails and ports last year, growth stayed positive, as economic agents adapted. However, per-capita income growth continued to decline, public debt rose further, and unemployment and poverty rates remained at unacceptably high levels.

A snapshot of South Africa's selected economic indicators is as under

TABLE- 1

South Africa: Selected Economic Indicators, 2022–26					
	2022	**2023**	**2024**	**2025**	**2026**
			Proj.		
National income and prices (annual percentage change unless otherwise indicated)					
Real GDP	1.9	0.7	1.0	1.3	1.4
Domestic demand	3.9	0.8	1.2	1.5	1.5
Private Consumption	2.5	0.7	0.9	1.2	1.3
Government Consumption	0.6	1.9	1.2	1.2	1.3
Gross Fixed Investment	4.8	3.9	3.1	2.8	2.7
Inventory Investment (contribution to growth)	1.5	-0.6	0.0	0.0	0.0
Net export (contribution to growth)	-2.1	-0.1	-0.3	-0.2	-0.1
Real GDP per capita 1/	1.1	-0.8	-0.6	-0.2	-0.1
GDP deflator	5.0	4.8	4.9	4.5	4.5
CPI (annual average)	6.9	5.9	5.2	4.6	4.5
CPI (end of period)	7.4	5.5	4.8	4.6	4.5
Labour market (annual percentage change unless otherwise indicated)					

Unemployment rate (percent of labor force, annual average)	33.5	33.1	33.8	34.2	34.5
Unit labor costs (formal non-agricultural)	2.1	-0.8	-0.6	-0.2	-0.1
Savings and Investment (percent of GDP)					
Gross national saving 14.4	15.0	13.9	13.7	13.7	13.7
Investment (including inventories) 2/ 12.4	15.4	15.5	15.4	15.7	15.8
Fiscal position (percent of GDP unless otherwise indicated) 4/					
Revenue, including grants 4/ 25.0	27.6	26.8	27.0	27.0	27.1
Expenditure and net lending 5/ 34.6	31.9	32.7	33.2	33.4	32.6
Overall balance -9.6	-4.3	-5.9	-6.3	-6.4	-5.5
Primary balance -5.4	0.3	-0.9	-0.9	-0.8	0.2
Gross government debt 6/ 69.0	70.8	73.4	75.0	77.6	79.3
Government bond yield (10-year and over, percent) 7/ 9.7	11.3	11.6	...	...	...
Money and credit (annual percentage change unless otherwise indicated)					
Broad money 9.4	8.3	6.5	7.5	7.5	7.5
Credit to the private sector 8/ 1.0	8.9	4.4	5.9	5.9	5.9
Repo rate (percent, end-period) 7/ 3.5	7.0	8.25	...	...	...
3-month Treasury bill interest rate (percent) 7/ 3.9	6.5	7.9	...	...	...
Balance of payments (annual percentage change unless otherwise indicated)					
Current account balance (billions of U.S. dollars) 6.7	-1.8	-6.1	-6.9	-7.7	-8.6
percent of GDP 2.0	-0.5	-1.6	-1.8	-1.9	-2.0
Exports growth (volume) -11.9	7.4	3.5	3.5	3.6	3.7
Imports growth (volume) -17.4	14.9	4.1	4.0	3.9	3.8
Terms of trade 9.3	-8.6	-4.8	-1.2	-1.4	-0.3
Overall balance (percent of GDP) -1.0	0.0	0.5	0.0	0.0	0.0
Gross reserves (billions of U.S. dollars) 55.5	60.6	62.5	62.5	62.5	62.5
in percent of ARA 78.1	88.9	97.0	95.3	...	...

Total external debt (percent of GDP) 50.5	40.4	41.5	42.2	43.6	44.9
Nominal effective exchange rate (period average) 7/ -11.6	-4.9	-7.7	...	...	...
Real effective exchange rate (period average) 7/ -10.1	-1.4	-9.0	...	...	...
Exchange rate (Rand/U.S. dollar, end-period) 7/ 14.7	17.0	18.4	...	...	...

Sources: South African Reserve Bank, National Treasury, Haver, Bloomberg, World Bank, and Fund staff estimates and projections.

1/ Per-capita GDP figures are computed using STATS SA mid-year population estimates.
2/ Inventories data are volatile and excluded from the investment breakdown to help clarify fixed capital formation developments.
3/ Consolidated government as defined in the budget unless otherwise indicated.
4/ Revenue excludes "transactions in assets and liabilities" classified as part of revenue in budget documents. This item represents proceeds from the sales of assets, realized valuation gains from holding of foreign currency deposits, and other conceptually similar items, which are not classified as revenue by the IMF's Government Finance Statistics Manual 2014.
5/ The Eskom debt relief is treated as capital transfer above-the-line item.
6/ Central government.
7/Average January 1-April 19, 2023. For nominal and effective exchange rate, year on year change of average January 1-April 19.
8/ Other depository institutions' "loans and securities" in all currencies.

FOREIGN TRADE

3. As per recent available inputs on WITS (World Integrated Trade Solution), the five major merchandise export partners of South Africa are China, United States, Germany, Japan and United Kingdom. On the other hand five major import partners South Africa are China, India, Germany, United States and Saudi Arabia. Major five exported goods of South Africa are (i) Bituminous coal, not agglomerated, (ii) Rhodium unwrought or in powder form, (iii) Gold in other semi-manufactured forms, non-monetary, (iv) Agglomerated iron ores and concentrates, and (v) Ferro-chromium. On the other hand major four imported goods are (i) Petroleum oils, etc, (excl. crude); preparation, (ii) Petroleum oils and oils obtained from bituminous, (iii) Transmission apparatus, for radio teleph incorpo, and (iv) Automobiles with reciprocating piston engine.

4. South Africa’s total exports in 2020 were of the order of USD 85,227 million. It was USD 110,109 million in 2024 with 42.35% increase recorded in 2021 over 2020. During the period from 2020 to 2024, the annual average compound rate of growth of exports was 6.61%.

5. South Africa’s total imports in 2020 were of the order of USD 68,943 million and which was USD 101,240 million in 2024, with 35.53% increase recorded in 2021 compared to 2020. During the period 2020 to 2024 the annual average compound rate of growth of imports was 10.08%.

6. South Africa runs an overall Balance of Trade surplus from 2020 to 2024 which was USD 8,869 million in 2024. During the period from 2020 to 2024, the annual average compound rate of growth of total volume of trade was 8.21%.

A snapshot of South Africa's overall Trade Statistics is presented in **Table 2 and Figure 1 below.**

TABLE - 2

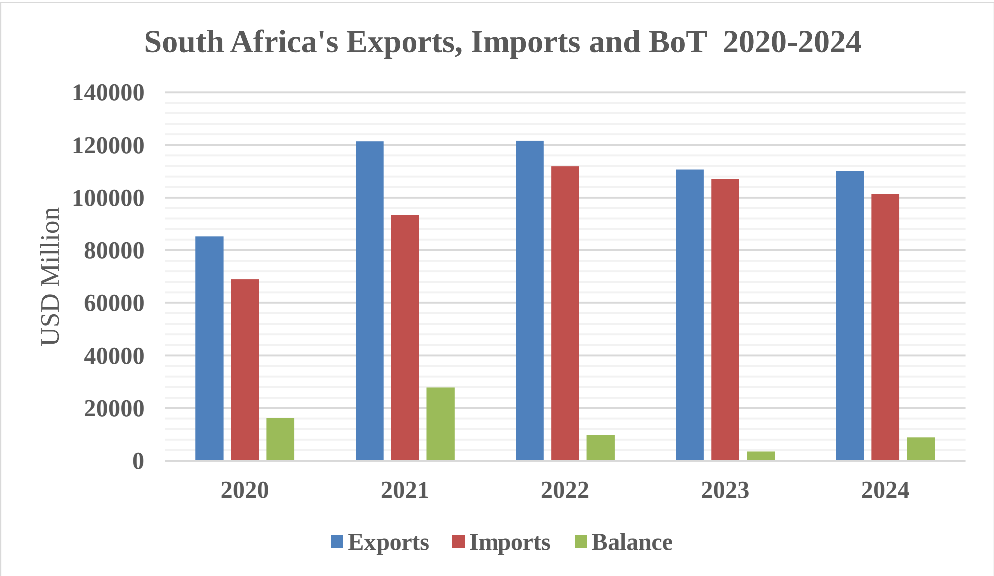
SOUTH AFRICA'S TOTAL EXPORTS AND IMPORTS, VOLUME OF TRADE AND BALANCE OF TRADE BETWEEN 2020 TO 2024

(Figures in USD Million)

Year	Exports	Percentage Growth in Exports	Imports	Percentage Growth in Imports	Volume of Trade	Percentage Growth in Vol. of Trade	Balance of Trade
2020	85227		68943		1,54,170		16284
2021	121321	42.35	93440	35.53	2,14,761	39.30	27881
2022	121616	0.24	111880	19.73	2,33,496	8.72	9736
2023	110608	-9.05	107122	-4.25	2,17,730	-6.75	3486
2024	110109	-0.45	101240	-5.49	2,11,349	-2.93	8869
Annual Compound Growth Rate		**6.61**		**10.08**		**8.21**	

NOTE : Figures relate to calendar year (January to December)
SOURCE : UN COMTRADE PUBLICATION

Figure – 1



BILATERAL TRADE WITH INDIA

Merchandise Trade

7. India's trade with South Africa, its largest trading partner in Africa, reached USD 19250.84 million in 2023-24. Key Indian exports include vehicles, pharmaceuticals, and engineering goods, while South Africa primarily exports gold, steam coal, copper, and manganese ore to India. This historically deep relationship is supported by platforms like BRICS and the IBSA Dialogue Forum. South Africa ranked 13th as an export destination of India in FY 2024-25. India's export to South Africa was 1.71 % of it's total export value in FY 2024-25. In the same financial year imports from South Africa was 1.48% of India's total import value. South Africa was the 19th largest import partner of India in FY 2024-25. Almost 1.34% of India's international trade value was between India and South Africa in FY 2024-25 as per DGCI&S database.

8. Indo- South Africa total volume of bilateral trade in FY 2020-21 was of the order of USD 11,502.40 million and it was USD 18,063.27 million in FY 2024-25. The annual compound growth rate of total volume of trade during the period from 2020-21 to 2024-25 has been of the order of 11.94%.

9. It appears from the available figures that between 2020-21 and 2024-25, India had a deficit Balance of Trade with South Africa. Exports from India to South Africa increased by 54.68% in FY 2021-22 followed by 39.26% increase in FY 2022-23 compared to the respective previous FY. The annual average compound rate of growth of Exports was 17.35%. On the other hand, imports from South Africa to India increased by 44.89% in FY 2021-22 over FY 2020-21. During the period from 2020-21 to 2024-25, the annual average compound rate of growth of imports was 8.79%.

A snapshot of India's merchandise trade statistics w.r.t. South Africa is presented in **Table 3 & Figure 2**.

TABLE - 3

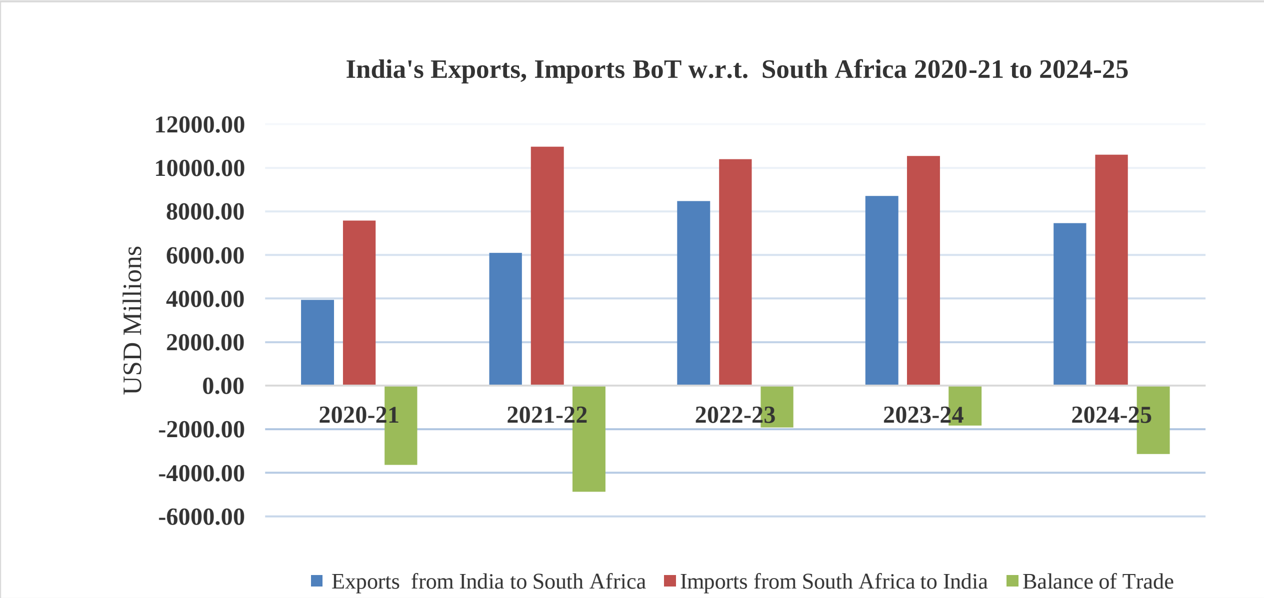
INDIA'S MERCHANDISE EXPORTS & IMPORTS w.r.t. SOUTH AFRICA
FY 2020-21 to 2024-25

(Value in USD Million)

Year	Exports from India to South Africa	Percentage Growth in Exports	Imports from South Africa to India	Percentage Growth in Imports	Volume of Trade	Percentage Growth in Vol. of Trade	Balance of Trade
2020-21	3934.20		7568.20		11502.40		-3634.00
2021-22	6085.29	54.68	10965.81	44.89	17051.10	48.24	-4880.52
2022-23	8474.44	39.26	10397.83	-5.18	18872.27	10.68	-1923.39
2023-24	8707.54	2.75	10543.30	1.40	19250.84	2.01	-1835.76
2024-25	7461.81	-14.31	10601.46	0.55	18063.27	-6.17	-3139.65
Annual Compound Growth Rate		**17.35**		**8.79**		**11.94**	

NOTE : Figures relate to Financial Year (April to March)
SOURCE : DGCI&S, M/o C&I

Figure 2



10. Additionally, **from Tables 4 & 5 presented** below the following are stated:

a. **Petroleum Products**, **Motor Vehicle/Cars** and **Drug Formulations Biologicals** occupied the top three slots in India's exports to South Africa in the year 2024-25 with Petroleum Products occupying 37.77% share of export value of India to South Africa.

b. **Gold, Coal-Coke And Briquittes Etc.** and **Bulk Minerals And Ores** are the three major commodities in India's import list from South Africa in the year 2024-25. India imported a significant amount of **Gold** from South Africa with a share of 44.96% of total imports from South Africa recorded in 2024-25.

TABLE -4

INDIA'S MAJOR ITEMS OF MERCHANDISE EXPORTS TO SOUTH AFRICA 2020-2021 TO 2024-2025 AND THEIR GROWTH RATES

(Value in USD Million)

Sl. No.	Name of the Merchandise Commodities	Value of Exports					Annual Growth Rates			
		2020-21	2021-22	2022-23	2023-24	2024-25	21-22 over 2020-21	22-23 over 2021-22	23-24 over 2022-23	24-25 over 2023-24
1	**Petroleum Products**	**400.71**	**1420.53**	**3760.23**	**4264.11**	**2818.37**	**254.50**	**164.71**	**13.40**	**-33.90**
	Share in total export	10.19	23.34	44.37	48.97	37.77				
2	**Motor Vehicle/Cars**	**557.13**	**1158.53**	**1541.51**	**1166.36**	**1448.97**	**107.95**	**33.06**	**-24.34**	**24.23**
	Share in total export	14.16	19.04	18.19	13.39	19.42				
3	**Drug Formulations Biologicals**	**738.95**	**540.57**	**578.65**	**662.52**	**627.27**	**-26.85**	**7.04**	**14.49**	**-5.32**
	Share in total export	18.78	8.88	6.83	7.61	8.41				
4	**Electric Machinery And Equipments**	**49.63**	**51.26**	**73.54**	**104.09**	**183.87**	**3.28**	**43.46**	**41.54**	**76.65**
	Share in total export	1.26	0.84	0.87	1.20	2.46				
5	**Indl. Machinery For Dairy Etc.**	**71.21**	**132.66**	**144.29**	**113.47**	**129.84**	**86.29**	**8.77**	**-21.36**	**14.43**
	Share in total export	1.81	2.18	1.70	1.30	1.74				
6	**Other Construction Machinery**	**39.40**	**74.35**	**108.93**	**105.85**	**126.58**	**88.71**	**46.51**	**-2.83**	**19.58**
	Share in total export	1.00	1.22	1.29	1.22	1.70				
7	**Telecom Instruments**	**81.69**	**176.34**	**212.81**	**201.65**	**118.11**	**115.86**	**20.68**	**-5.24**	**-41.43**
	Share in total export	2.08	2.90	2.51	2.32	1.58				
8	**Auto Components/ Parts**	**65.06**	**82.66**	**9.50**	**104.04**	**111.77**	**27.05**	**-88.51**	**995.16**	**7.43**
	Share in total export	1.65	1.36	0.11	1.19	1.50				
9	**Inorganic Chemicals**	**34.73**	**59.47**	**95.86**	**72.91**	**84.62**	**71.24**	**61.19**	**-23.94**	**16.06**
	Share in total export	0.88	0.98	1.13	0.84	1.13				
10	**Plastic Sht, Film. Plts Etc.**	**58.58**	**65.91**	**74.14**	**86.58**	**79.76**	**12.51**	**12.49**	**16.78**	**-7.88**
	Share in total export	1.49	1.08	0.87	0.99	1.07				
	Total export to SOUTH AFRICA	**3934.20**	**6085.29**	**8474.44**	**8707.54**	**7461.81**	**54.68**	**39.26**	**2.75**	**-14.31**

NOTE : Figures relate to each Financial Year (April to March)
SOURCE : DGCI&S, M/o C&I

TABLE -5

INDIA'S MAJOR ITEMS OF MERCHANDISE IMPORTS FROM SOUTH AFRICA 2020-2021 TO 2024-2025 AND THEIR GROWTH RATES

(Value in USD Million)

Sl. No.	Name of the Merchandise Commodities	Value of Imports					Annual Growth Rates			
		2020-21	2021-22	2022-23	2023-24	2024-25	21-22 over 2020-21	22-23 over 2021-22	23-24 over 2022-23	24-25 over 2023-24
1	**Gold**	**2549.35**	**3259.77**	**3360.12**	**4610.58**	**4766.08**	**27.87**	**3.08**	**37.21**	**3.37**
	Share in total import	33.69	29.73	32.32	43.73	44.96				
2	**Coal, Coke And Briquittes Etc.**	**1927.58**	**3233.69**	**3480.82**	**3316.15**	**3263.32**	**67.76**	**7.64**	**-4.73**	**-1.59**
	Share in total import	25.47	29.49	33.48	31.45	30.78				
3	**Bulk Minerals And Ores**	**305.22**	**599.16**	**434.20**	**454.16**	**604.97**	**96.30**	**-27.53**	**4.60**	**33.21**
	Share in total import	4.03	5.46	4.18	4.31	5.71				
4	**Pulp And Waste Paper**	**98.46**	**335.88**	**391.32**	**512.00**	**514.64**	**241.13**	**16.51**	**30.84**	**0.52**
	Share in total import	1.30	3.06	3.76	4.86	4.85				
5	**Pearl, Precs. Semi-precs Stones**	**635.89**	**939.48**	**846.13**	**503.07**	**308.62**	**47.74**	**-9.94**	**-40.54**	**-38.65**
	Share in total import	8.40	8.57	8.14	4.77	2.91				
6	**Iron And Steel**	**110.37**	**113.64**	**241.44**	**133.46**	**157.18**	**2.96**	**112.46**	**-44.72**	**17.77**
	Share in total import	1.46	1.04	2.32	1.27	1.48				
7	**Copper, Products Made Of Copper**	**507.75**	**670.80**	**780.69**	**238.67**	**139.86**	**32.11**	**16.38**	**-69.43**	**-41.40**
	Share in total import	6.71	6.12	7.51	2.26	1.32				
8	**Other Crude Minerals**	**58.87**	**71.44**	**109.04**	**85.42**	**114.91**	**21.35**	**52.63**	**-21.66**	**34.52**
	Share in total import	0.78	0.65	1.05	0.81	1.08				
9	**Fresh Fruits**	**27.29**	**51.03**	**71.64**	**72.46**	**79.69**	**86.99**	**40.39**	**1.14**	**9.98**
	Share in total import	0.36	0.47	0.69	0.69	0.75				
10	**Inorganic Chemicals**	**41.64**	**41.42**	**111.45**	**82.74**	**76.13**	**-0.53**	**169.07**	**-25.76**	**-7.99**
	Share in total import	0.55	0.38	1.07	0.78	0.72				
	Total imports from SOUTH AFRICA	**7568.20**	**10965.81**	**10397.83**	**10543.30**	**10601.46**	**44.89**	**-5.18**	**1.40**	**0.55**

NOTE : Figures relate to each Financial Year (April to March)
SOURCE : DGCI&S, M/o C&I