

A PROFILE OF THE SOUTH AFRICAN MOHAIR MARKET VALUE CHAIN

2010

**Directorate Marketing
Private Bag X 15
Arcadia
0007
Tel: 012 319 8455
Fax: 012 319 8131
E-mail: DM@daff.gov.za
www.daff.gov.za**



**agriculture,
forestry & fisheries**

Department:
Agriculture, Forestry and Fisheries
REPUBLIC OF SOUTH AFRICA

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1. DESCRIPTION OF THE INDUSTRY.

Angora goats are kept primarily for mohair production. Mohair is made of strong elastic fibres that form a fabric which is easily dyed, mainly used in the textile industry and is especially suitable for apparel, knitwear, curtaining, upholstery material, socks, shawls and accessories. November is a beautiful time of the year in the Karoo with many goats with kids and fleeces in full growth.

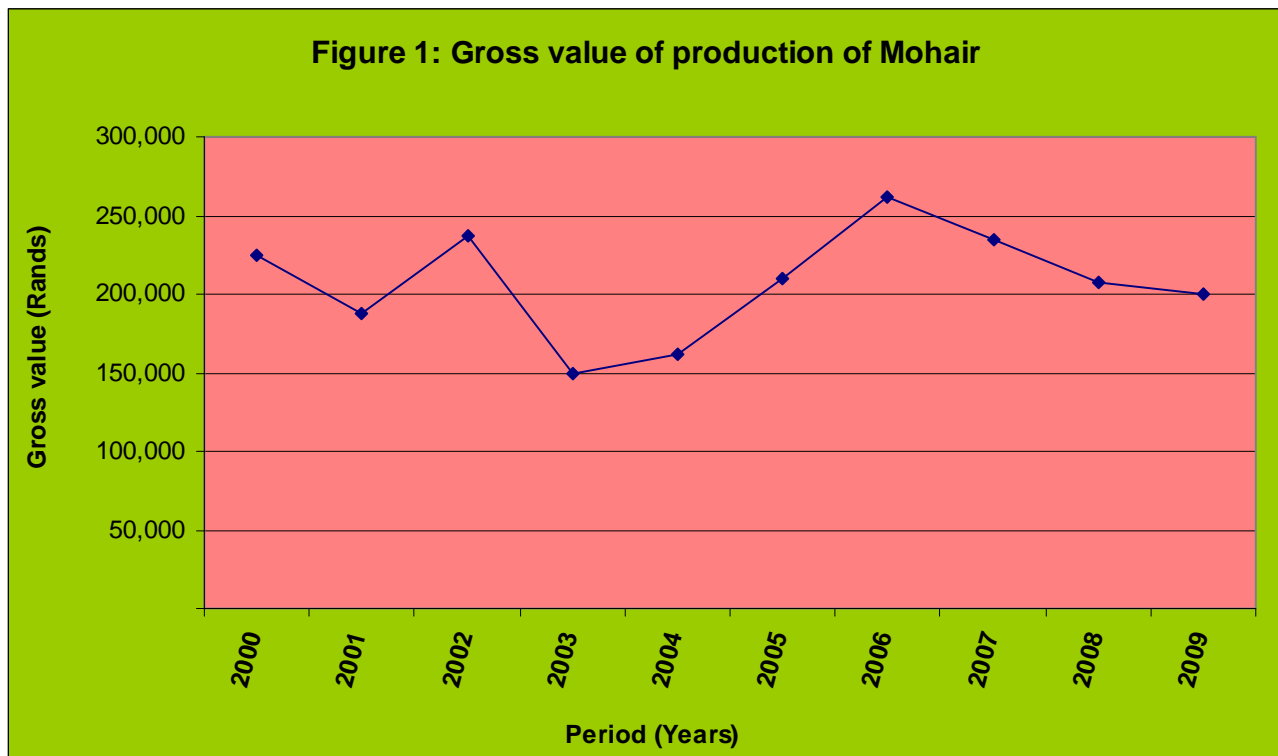
Angora goats were introduced in South Africa by Colonel John Henderson from Turkey with a consignment of twelve rams and one ewe in 1838. The rams were rendered infertile before leaving Turkey, but that happily the ewe was pregnant and gave birth to a healthy ram kid during the voyage. Although several further importations of Turkish stock were made up to 1896, the above-mentioned ewe and her kid formed the foundation of the Angora goat and mohair industry in South Africa.

Mohair growing has taken root and developed in this country. The flocks of these "smiling" goats have become a regular feature of the countryside, especially in the arid Karoo areas and south eastern Free State. The expertise of South African farmers had improved the breed and especially the quality of the hair, so that it now far surpasses the original, still to be found in regions that form modern Turkey (Momentos).

Today mohair is grown in several countries, mainly arid areas like The Western USA (Texas, Arizona and New Mexico), Lesotho and small quantities in Australia. Surprisingly some mohair is now grown in Great Britain and also New Zealand, although these latter tend to be enthusiasts, with over 60% of the world supply coming from South Africa (Momentos).

South Africa is recognized as the most reliable source of mohair in the world because angora goats grow their fleeces all year-round which allows farmers to auction their produce two seasons a year - for summer and winter sales. It produces more than 50% of the world's mohair. On average the annual average commercial production is about 4 million kg.

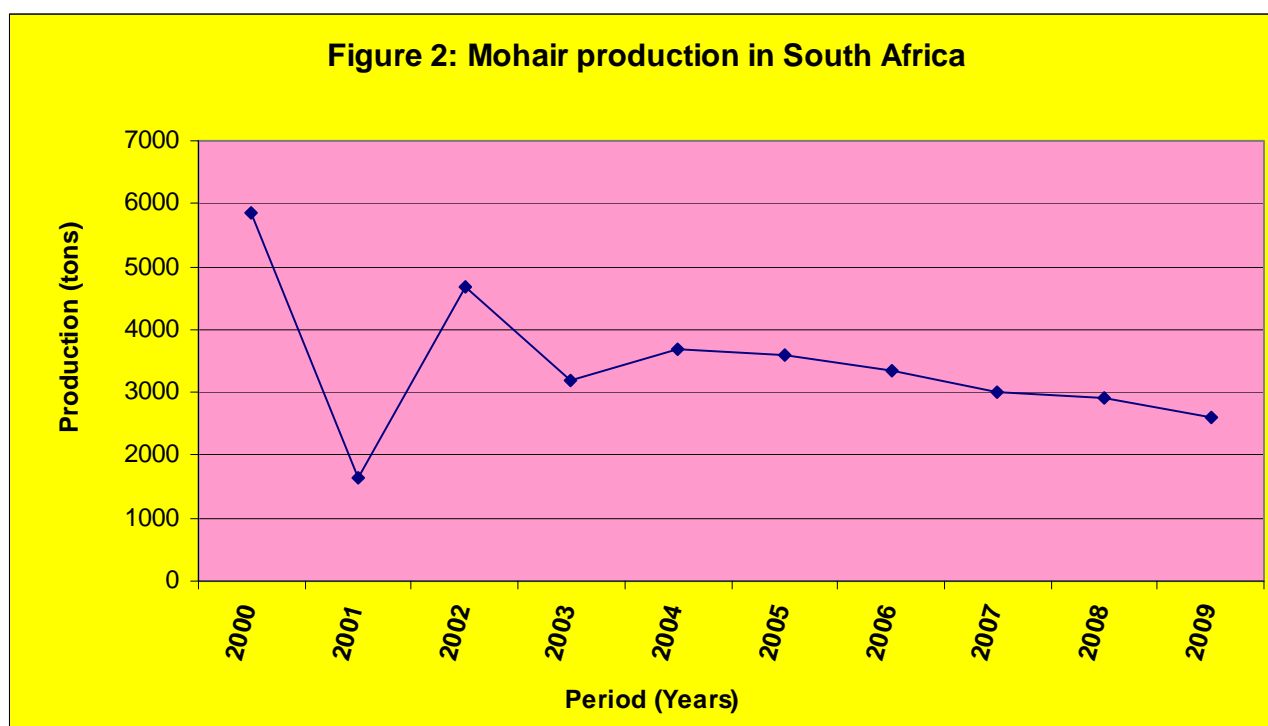
The contribution of the mohair industry to the gross value of agricultural production is summarized in Figure 1.



Source: Agricultural Statistics

Figure 1 depicts gross value of production of Mohair in South Africa between 2000 and 2009 period. The graph also indicates that there were greater fluctuations in terms of gross value of production during the same period under examination. Gross value of production attained a peak in 2006 at a gross value of about R252 000 as against the lowest gross value attained in 2003 at approximately R150 000. Between 2006 and 2009 there was a decline in gross value of production of mohair due to the low levels of mohair production from 2005 to 2009. The fluctuations are also as a result of the fluctuations in mohair production during the same period under review.

2. PRODUCTION OF MOHAIR



Source: Agricultural Statistics

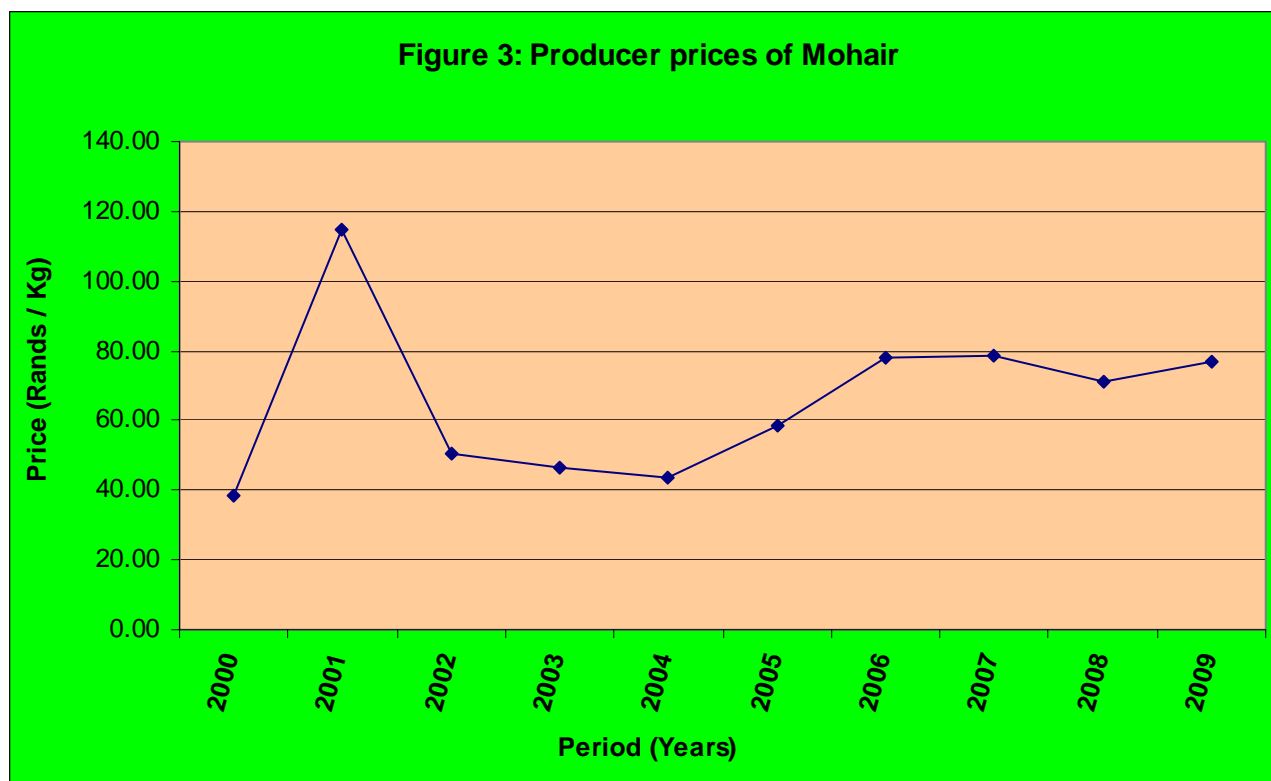
Figure 2 above indicates production of Mohair in South Africa between 2000 and 2009 period. The graph further indicates that in 2000 Mohair production experienced a peak at approximately 6 million kilograms in volume terms. The graph also indicates that there were greater fluctuations in terms of production throughout the period under review. In 2001 Mohair experienced very low levels of production to below 2 million kilograms. It is also evident that between 2004 and 2009 there was a consistent decline in production of Mohair in South Africa.

3. MARKET STRUCTURE

3.1 Domestic market and prices

Mohair is used to produce fabric and also for export. There are 6 main buyers of mohair in South Africa, 3 auction ports, 2 brokers and 26 manufacturers.

Mohair is a fashion fibre. Prices are determined by demand and supply at one of 3 auction ports.



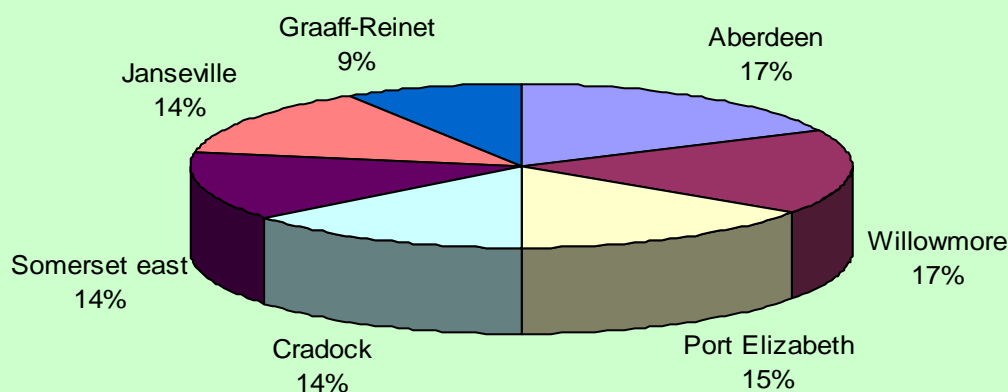
Source: Agricultural Statistics

Figure 3 shows prices of Mohair in South Africa between 2000 and 2009 period. The graph further shows that in 2001 Mohair prices experienced a peak at approximately R118.00 per kilogram; interestingly so during the same year (2001) Mohair production was very low. The graph also indicates that there were greater fluctuations in terms of Mohair prices throughout the period under review. In 2000 Mohair prices experienced very low levels in the market at approximately R39.00 per kilogram. The graph further shows that between 2000 and 2004 prices of Mohair declined consistently then in 2005 prices started to increase until 2007.

4. PRODUCTION AREAS OF MOHAIR IN SA (2009)

The first importation of angora goats was destined for Caledon in the Western Cape but over the course of time they spread to the Eastern Cape where the climate and vegetation are more suitable for the rearing of angora goats and the production of high quality mohair. In due course, Jansenville and the surrounding districts became the hub of the mohair industry in South Africa and to this day the primary industry is centered on the small town of Jansenville. This is clearly illustrated by the fact that the offices of both the South African Mohair Growers' Association and the Angora Goat Stud Breeders' Society of South Africa are located in Jansenville. The leading angora studs and the biggest concentration of stud breeders are found in the Jansenville district, while many of the leaders of the mohair industry hail from this area (Ikhwezi).

Figure 4: Top Mohair production areas in South Africa (2009)

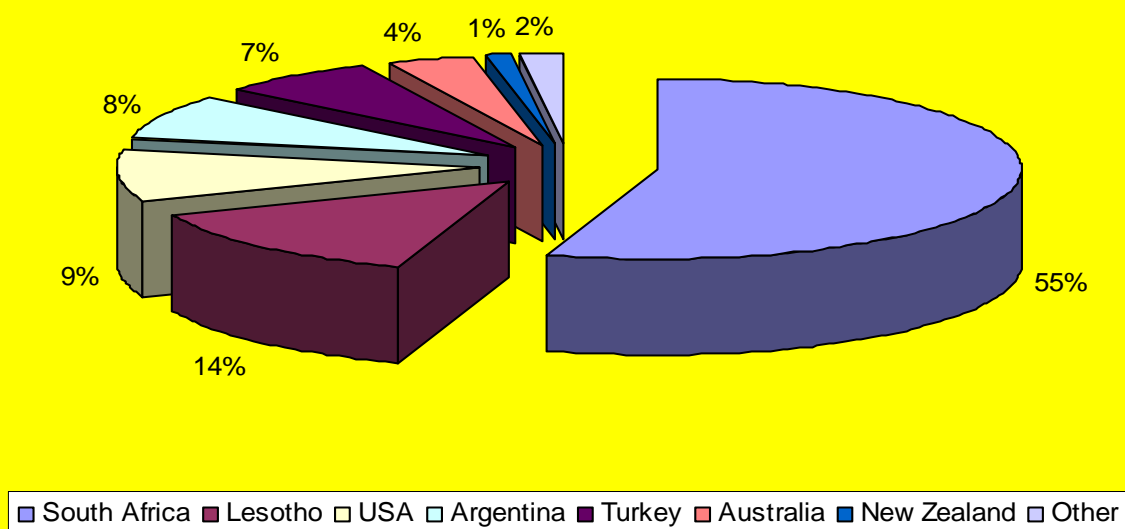


Source: Mohair South Africa.

Figure 4 depicts that total production is approximately 2.9 million kg in 2009. The main producing areas are Aberdeen accounting for 17%, Willowmore (17%), Port Elizabeth (15%), Cradock (14%), Somerset East (14%), Jansenville (14%) and Graaff-Reinet (9%). Mohair is also produced in smaller volumes in areas such as Pearston, Bedford, Beaufort west, Murraysburg, Steytlerville, Adelaide, Uitenhage, Prins Albert, Albany, Uniondale, George, Mosselbay, Fort Beaufort and Middelburg.

5. PRODUCTION AROUND THE WORLD

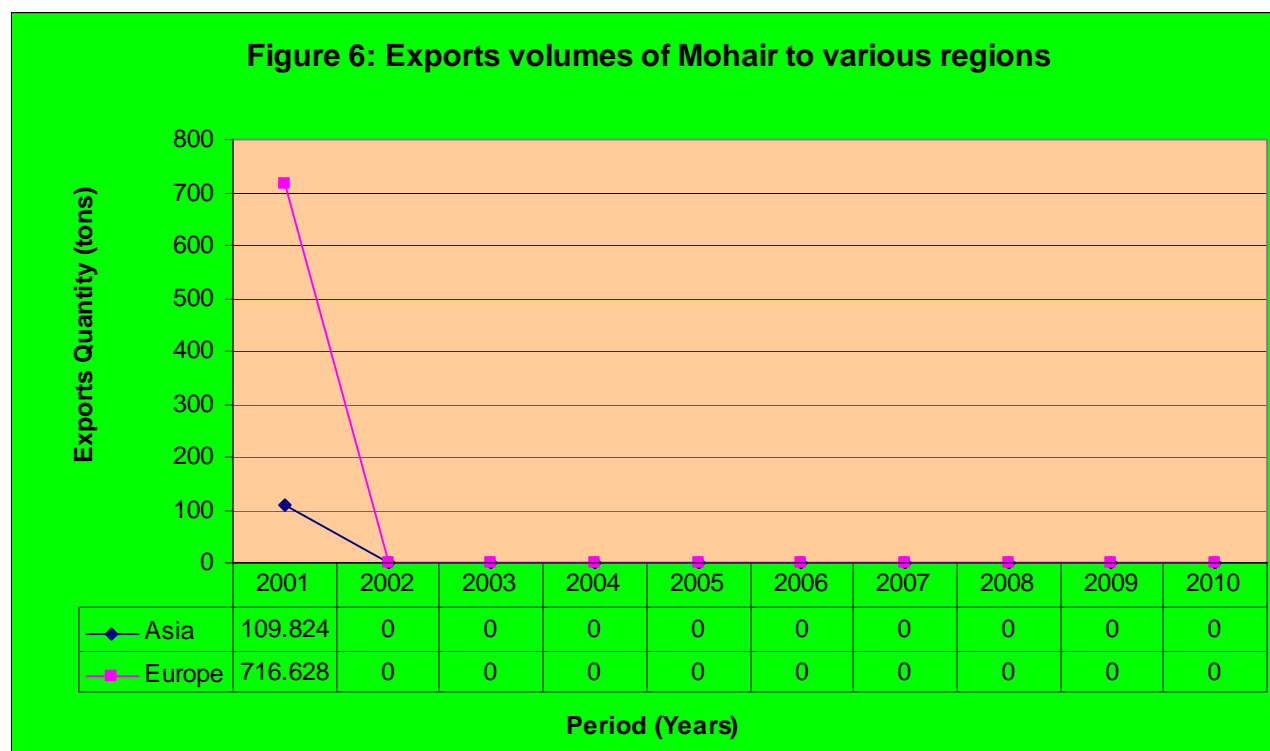
Figure 5: Mohair production in the world



Source: Mohair South Africa

Figure 5 indicates the share of mohair world production. The figure further indicates that globally, South Africa is the largest producer of mohair followed by a lesser margin by Lesotho. Other producers are United States of America, Argentina, Turkey, Australia and New Zealand. South Africa produces the greatest quantities of mohair with an estimated production of 2.9 million kg followed by Lesotho with an estimated production of 750 000 kg in 2008. The lowest producers are New Zealand and Australia with an estimated production of 50 000 and 200 000 kg respectively.

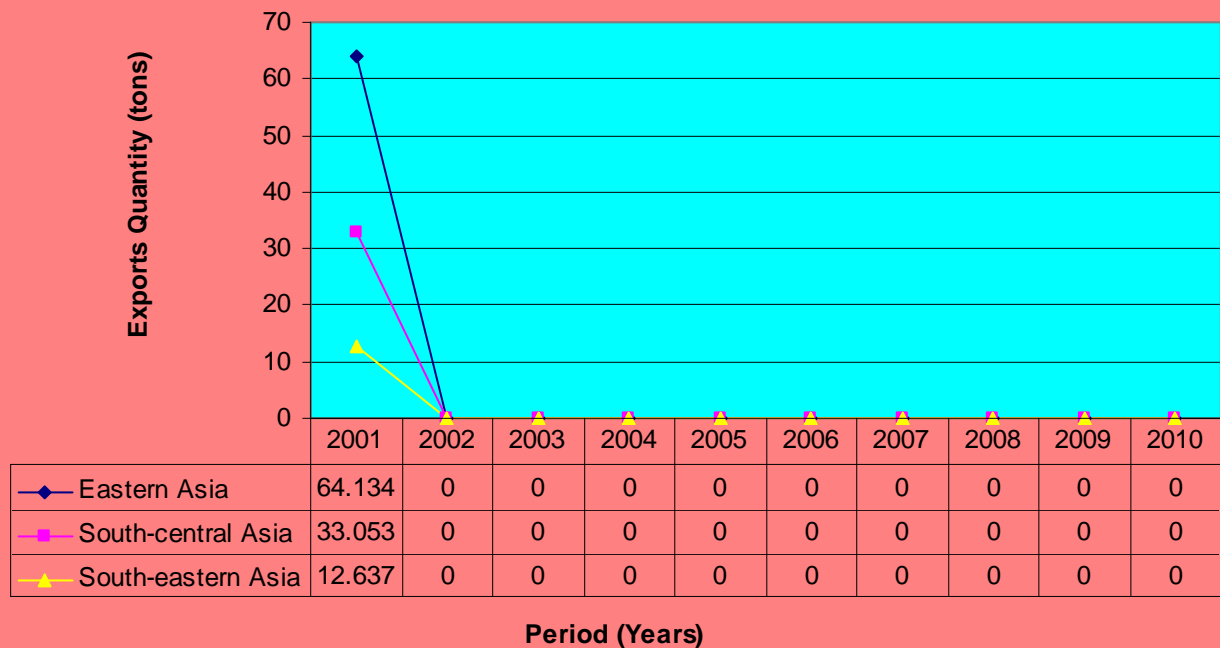
6. EXPORTS VOLUMES



Source: Quantec

Figure 6 indicates exports volumes of Mohair from South Africa to various regions between 2001 and 2009. The graph further indicates that major world markets of Mohair from South Africa was in Europe followed by Asia during the period under scrutiny. Exports of Mohair from South Africa to Europe attained a peak in 2000 at an export quantity of about 716 tons while exports volumes of Mohair to Asia attained a peak also in 2000 at an export quantity of approximately 109 tons.

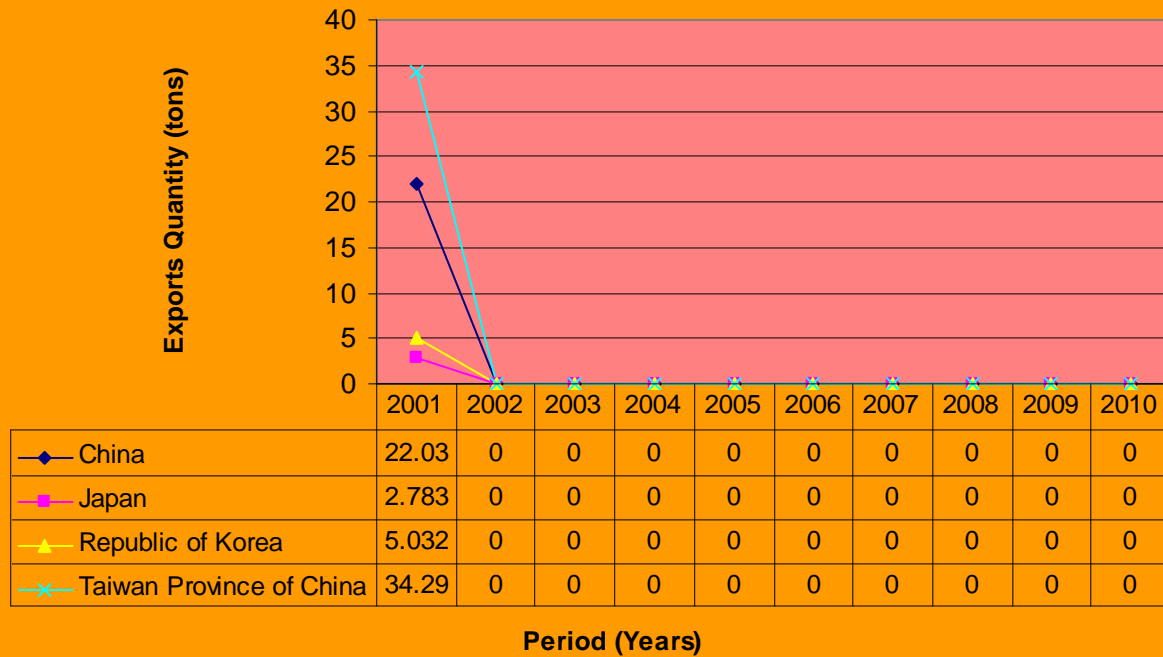
Figure 7: Exports volumes of Mohair to Asia



Source: Quantec

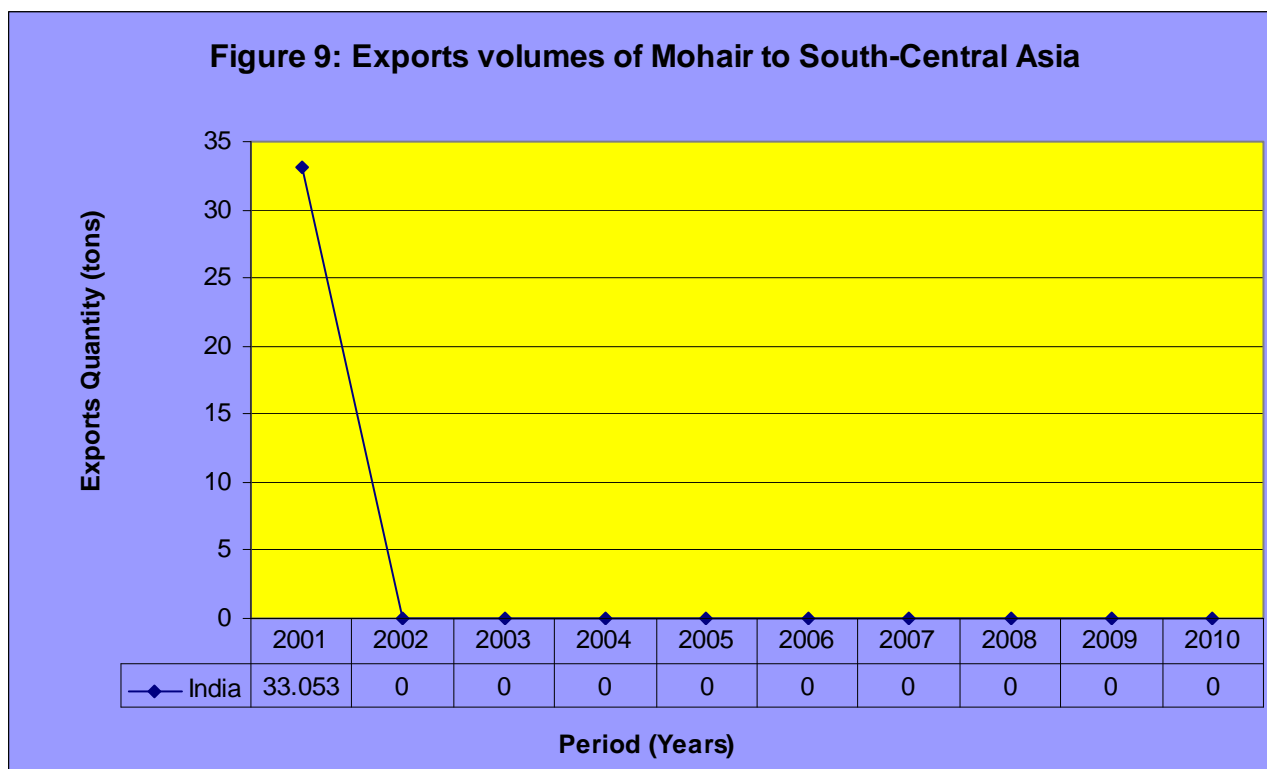
Figure 7 depicts volumes of Mohair exports from South Africa to the Asia between 2001 and 2009. The graph further depicts that the major world markets of Mohair from South Africa was Eastern Asia followed by South-central Asia and South-eastern Asia during the same period under review. Exports of Mohair from South Africa to Eastern Asia attained a peak in 2001 at approximately 64 tons while exports of Mohair from South Africa to South-central Asia attained a peak in 2001 at approximately 33 tons. The graph further indicates that during the period under examination, there were no fluctuations in terms of exports of Mohair from South Africa to the Asia. The graph also depicts that between 2002 and 2009 there were no exports of mohair from South Africa to Asia.

Figure 8: Exports volumes of Mohair to Eastern Asia



Source: Quantec

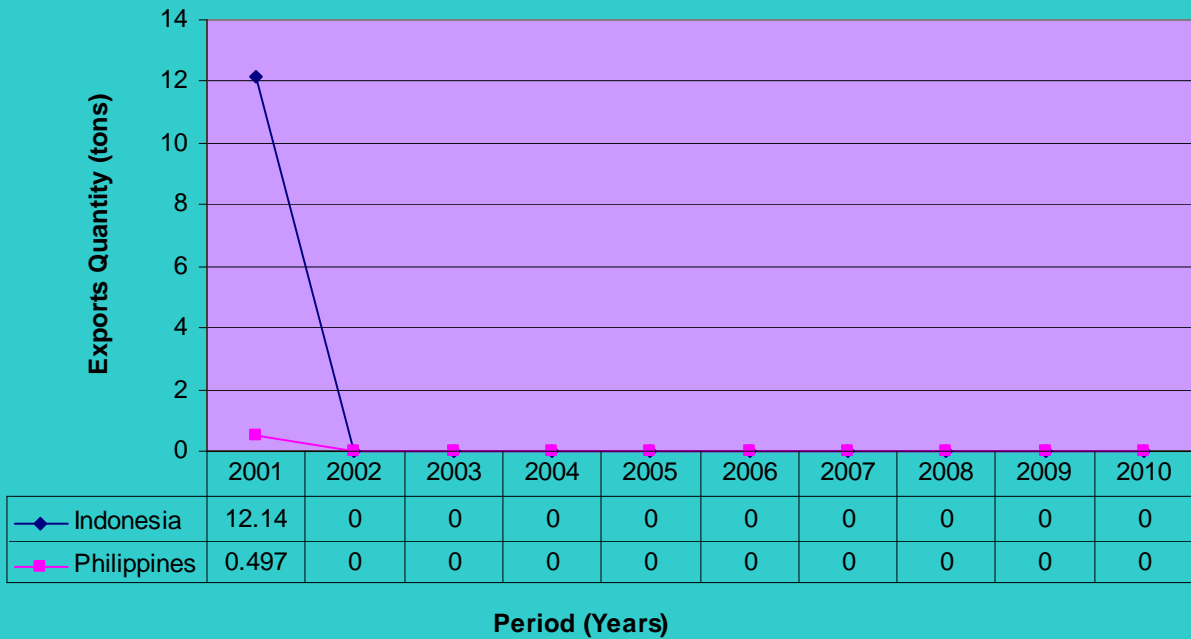
Figure 8 illustrates exports volumes of Mohair from South Africa to eastern Asia between 2001 and 2009. The figure further illustrates that Taiwan province of China commanded greatest share in terms of export volume of mohair from South Africa during the period under review. South African export market for mohair was concentrated in the hands of 3 buyers, viz, Italy, China and United Kingdom. These three command more than 63% of South Africa's export market of mohair. Exports of mohair from South Africa to Taiwan province of China attained a peak in 2001 at approximately 34.29 tons while exports of mohair from South Africa to China attained a peak also in 2001 at approximately 22.03 tons. The graph also illustrates that between 2002 and 2009 there were no exports of mohair from South Africa to Eastern Asia.



Source: Quantec

Figure 9 depicts exports volumes of Mohair from South Africa to South-central Asia between 2001 and 2009. The graph further depicts that major import market of Mohair from South Africa was India during the same period under review. Exports of Mohair from South Africa to India attained a peak in 2001 at approximately 33 tons. The graph further depicts that between 2002 and 2009, there were exports of Mohair from South Africa to South-central Asia.

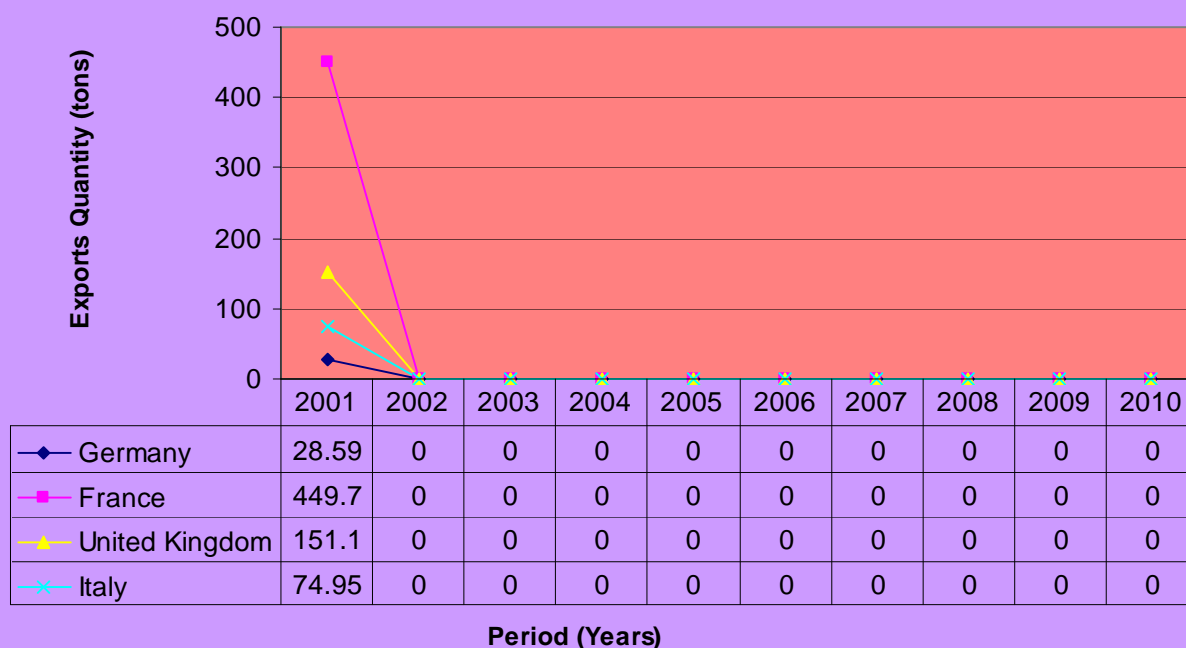
Figure 10: Exports volumes of Mohair to South-Eastern Asia



Source: Quantec

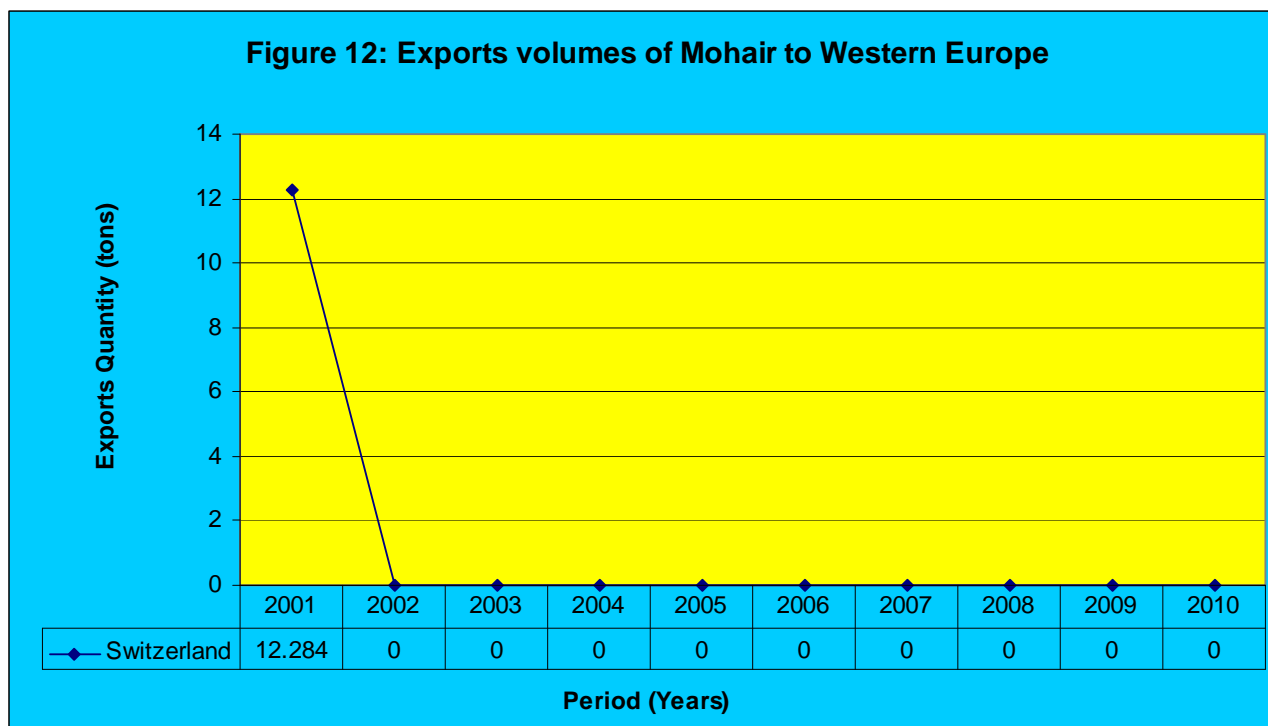
Figure 10 shows exports volumes of Mohair from South Africa to South-eastern Asia between 2001 and 2010. The graph further shows that major import markets of Mohair from South Africa to Asia were Indonesia followed by Philippines during the same period under examination. Exports of Mohair from South Africa to Indonesia attained a peak in 2001 at an approximately 12.14 tons while exports from South Africa to Philippines attained a peak also in 2001 at approximately 0.497 tons. The graph further shows that between 2002 and 2009, there were exports of Mohair from South Africa to South-Eastern Asia during the same period under scrutiny.

Figure 11: Exports volumes of Mohair to European Union



Source: Quantec

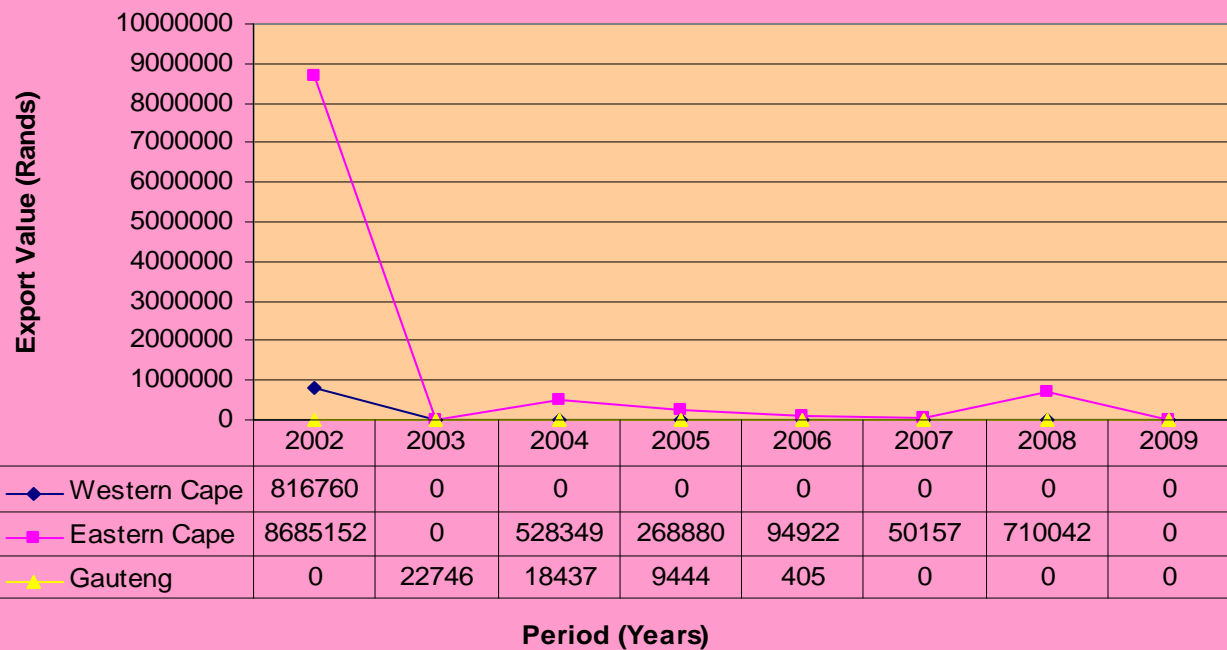
Figure 11 indicates exports volumes of Mohair from South Africa to the European Union between 2001 and 2010. The graph further indicates that during the period under examination, France commanded the share of Mohair from South Africa followed by United Kingdom and Italy. The figure also indicates that exports of Mohair from South Africa to the France attained a peak in 2001 at approximately 449.7 tons while exports of Mohair from South Africa to the United Kingdom attained a peak also in 2001 at approximately 151.1 tons. The figure further indicates that from 2002 to 2010, there were no exports of Mohair from South Africa to the European Union during the same period under scrutiny.



Source: Quantec

Figure 12 illustrates volumes of mohair exports from South Africa to Western Europe between 2001 and 2010. The graph further illustrates that during the period under examination, Switzerland was only import market for mohair from South Africa. The figure also illustrates that exports of mohair from South Africa to Switzerland attained a peak in 2001 at approximately 12.284 tons. The figure also illustrates that exports of mohair from South Africa only to place in 2001 and from 2002 to 2010, there were no exports of mohair from South Africa to Western Europe.

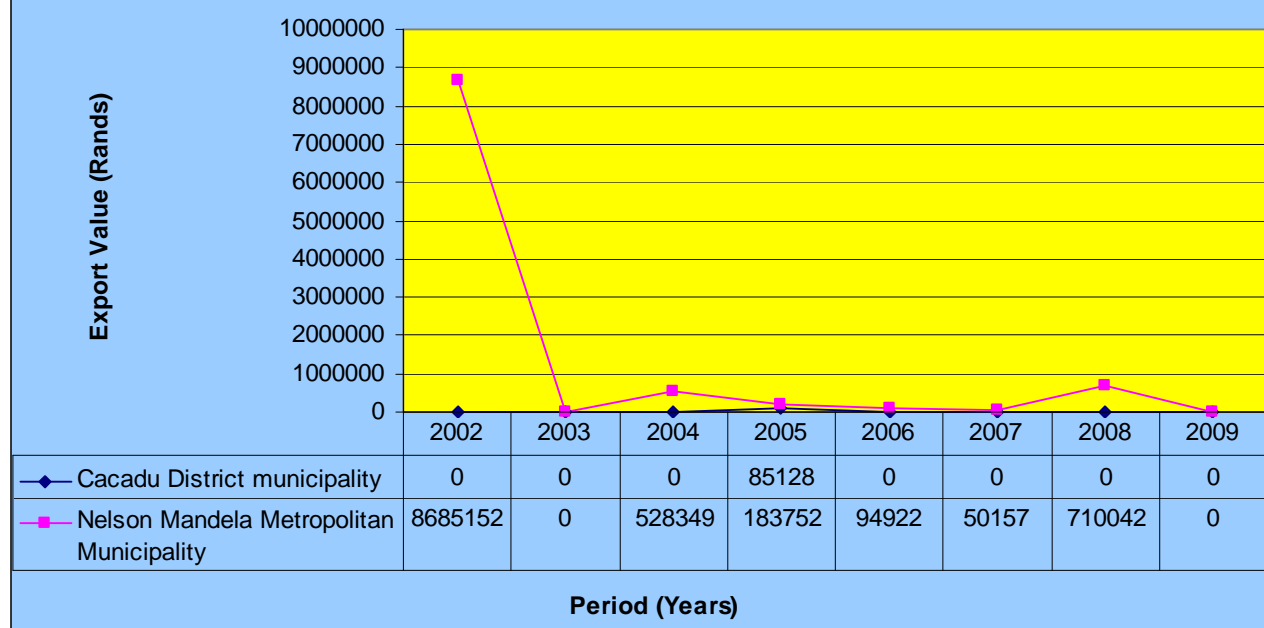
Figure 13: Exports of Mohair by Provinces



Source: Quantec

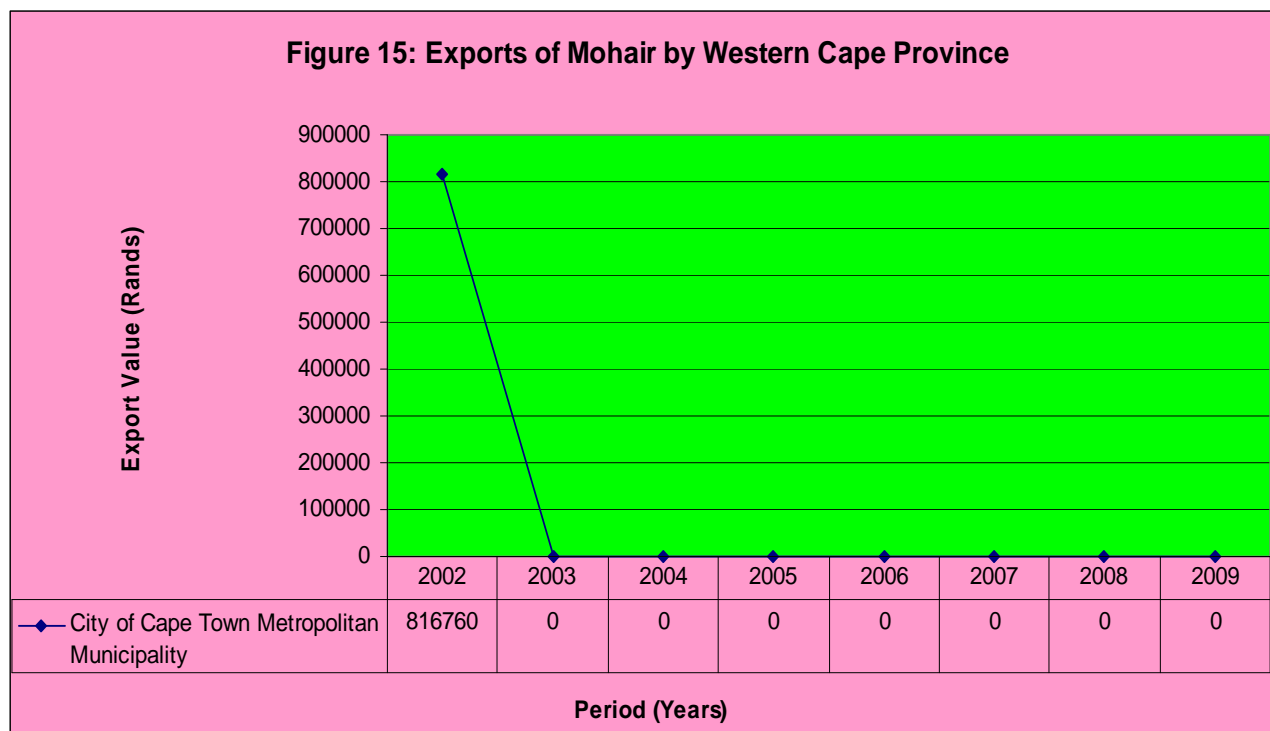
Figure 13 depicts exports of Mohair by Provinces to the world between 2002 and 2009 period. The graph further depicts that major exporters of Mohair in South Africa were from Eastern Cape followed by Western Cape and Gauteng during the same period under examination. Exports of Mohair by Eastern Cape Province experienced a peak in 2002 at an export value of approximately R8.9 million while Western Cape and Gauteng provinces had very low levels of Mohair exports during the same period under examination. The graph further depicts that there were less fluctuations in terms of Mohair exports by provinces during the same period under scrutiny.

Figure 14: Exports of Mohair by Eastern Cape Province



Source: Quantec

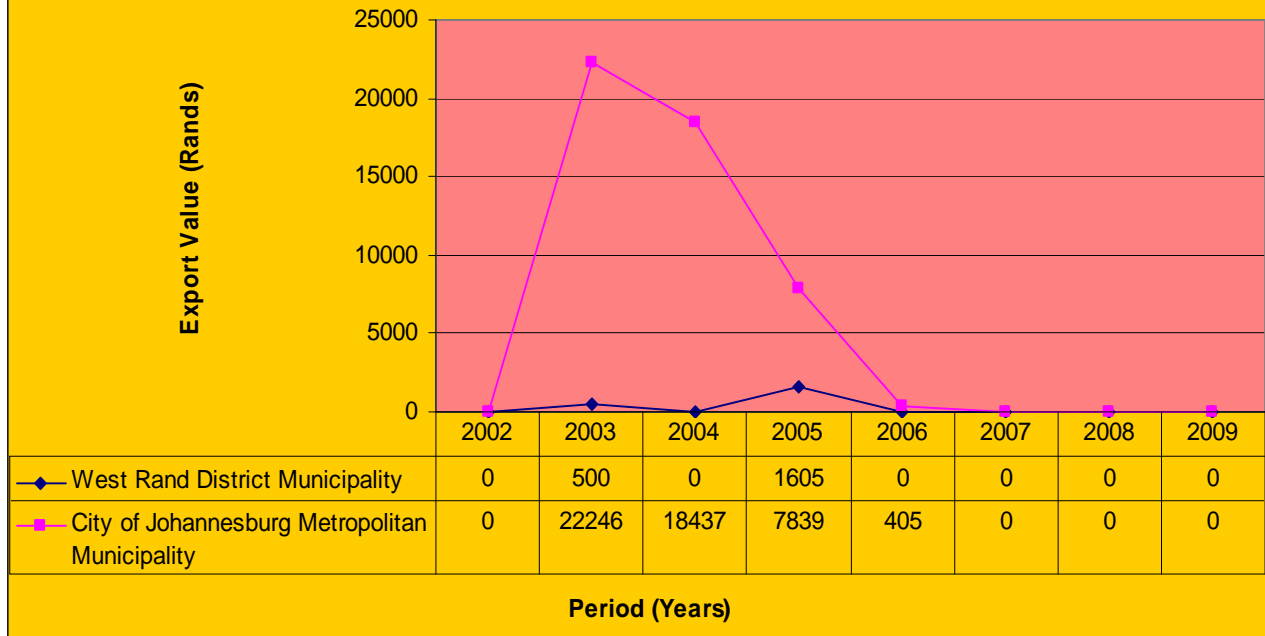
Figure 14 shows exports of Mohair by Eastern Cape Province to the world between 2002 and 2009 period. The graph further shows that major exporter of Mohair in Eastern Cape was Nelson Mandela Metro followed by Cacadu District during the same period under examination. The figure also shows that exports of Mohair from the Nelson Mandela Metro attained a peak in 2002 at an export value of approximately R8.6 million while Cacadu District had very low levels of Mohair exports that took place only in 2005.



Source: Quantec

Figure 15 depicts exports of Mohair by Western Cape Province to the world between 2002 and 2009 period. The graph further depicts that during the period under examination, the major exporter of Mohair in Western Cape Province was City of Cape Town Metro during the same period under examination. The figure further depicts that exports of Mohair from the City of Cape Town Metro attained a peak in 2002 at an export value of approximately R816 760 during the same period under examination.

Figure 16: Exports of Mohair by Gauteng Province

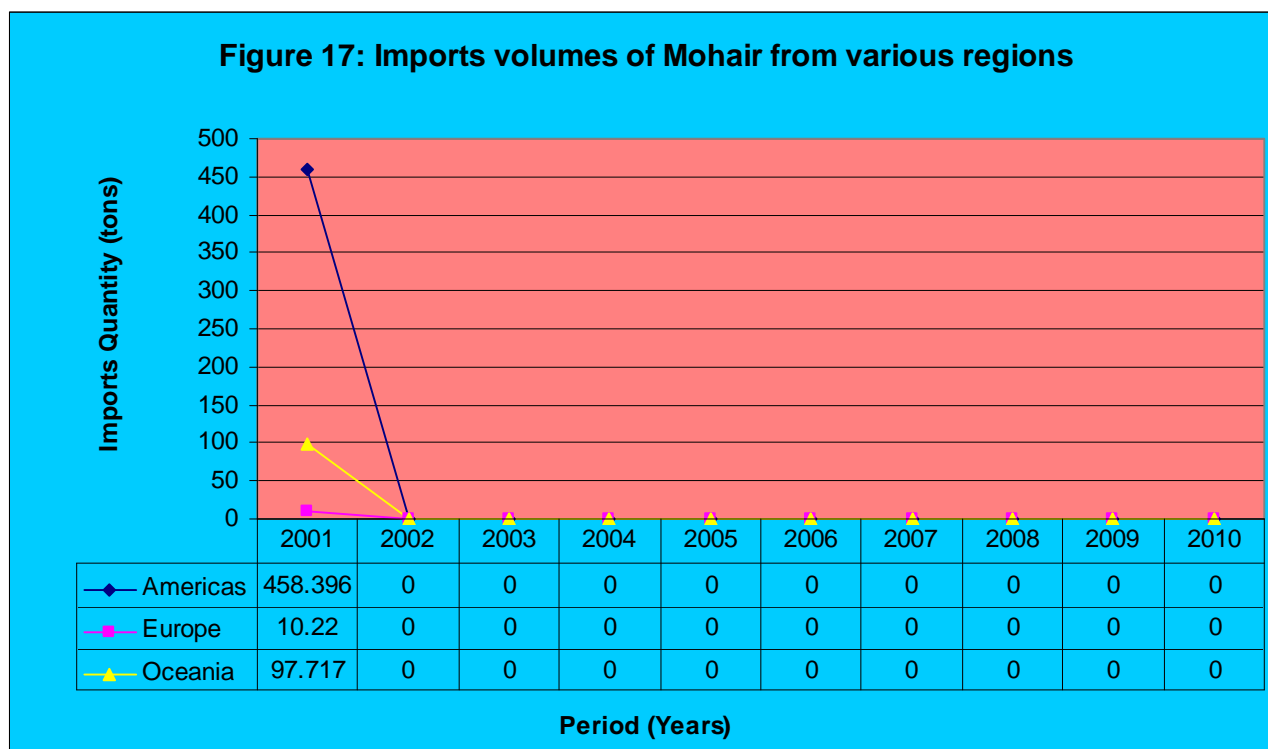


Source: Quantec

Figure 16 shows exports values of Mohair by Gauteng Province to the world between 2002 and 2009 period. The graph further shows that during the period under examination, the major exporter of Mohair in Gauteng Province was the City of Johannesburg Metro followed by very low levels of exports of mohair from West Rand District during the same period under review. The figure also shows that exports of Mohair from the City of Johannesburg Metro attained a peak in 2002 at an export value of approximately R22 246 during the same period under review. West Rand District had very low exports of Mohair in 2005 at approximately R1 605 during the same period under scrutiny.

7. IMPORTS VOLUMES

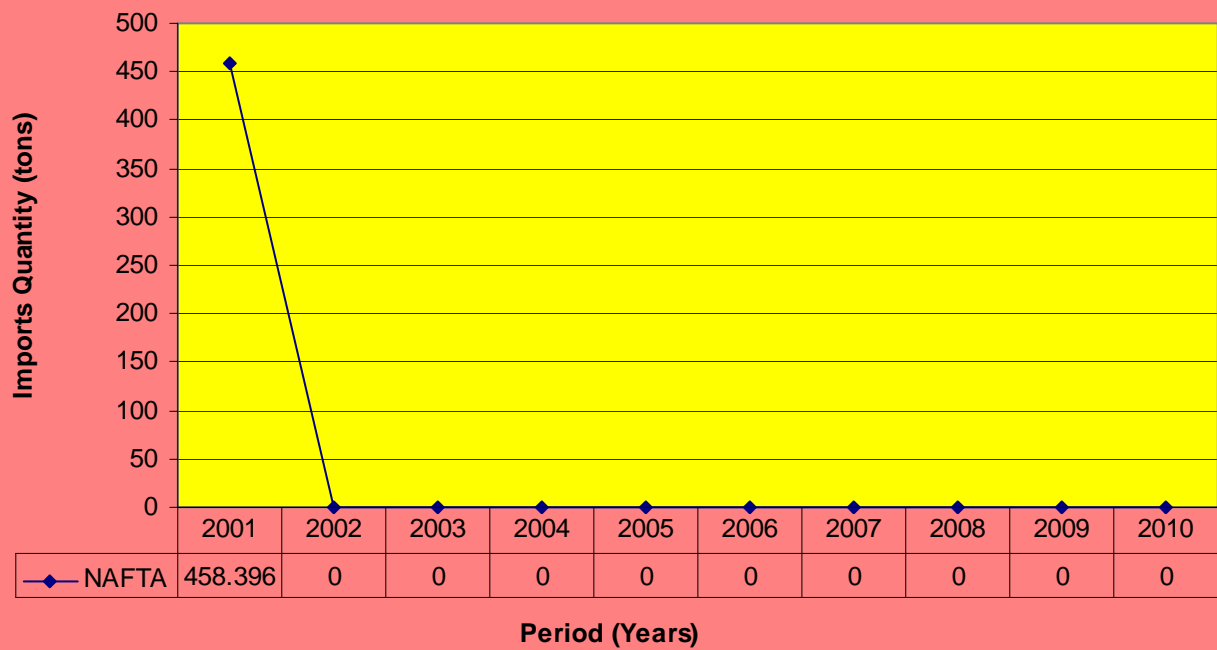
South Africa imports small quantities of mohair. Most of the imports are re-exported after processing. Figure 16 show the import of mohair over the past decade.



Source: Quantec

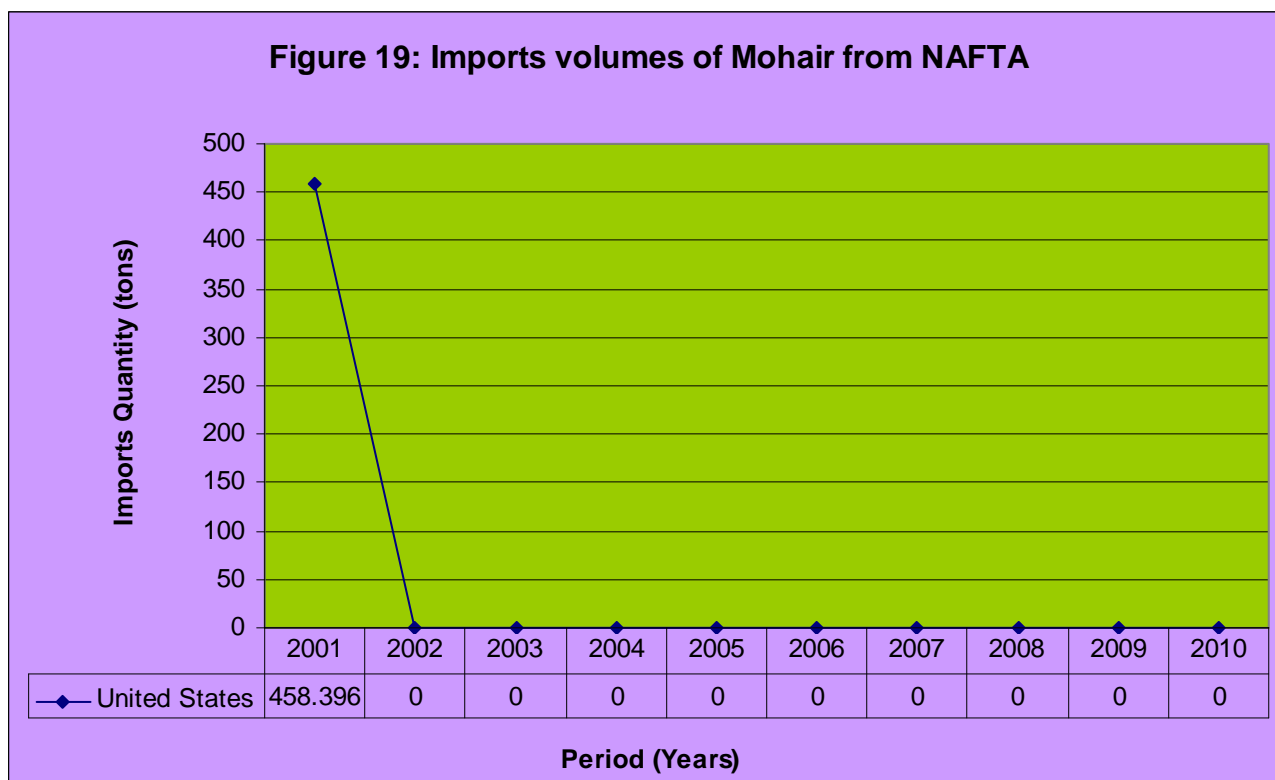
Figure 17 illustrates volumes of Mohair imports from various regions of the world to South Africa between 2001 and 2010 period. The graph further illustrates that during the period under examination, the major import markets of Mohair into South Africa were mainly Americas followed by Oceania during the same period under scrutiny. The figure also illustrates that imports of Mohair from Americas into South Africa attained a peak in 2001 at approximately 458, 396 tons while imports of mohair from Oceania experienced a peak also in 2001 at approximately 97,717 tons. The graph further illustrates that from 2002 to 2010, there were no imports of mohair from various regions of the world into South Africa during the period under examination.

Figure 18: Imports volumes of Mohair from Americas



Source: Quantec

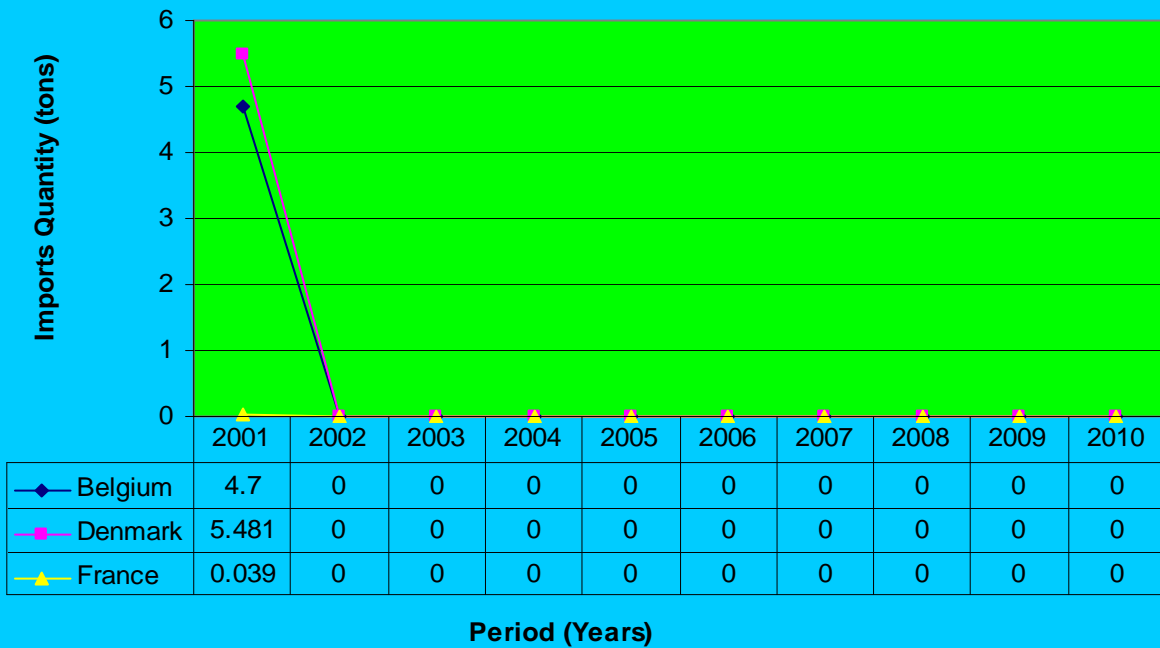
Figure 18 depicts imports volumes of mohair from Americas into South Africa between 2001 and 2010. The graph further depicts that during the period under scrutiny, NAFTA commanded greatest share of mohair imports into South Africa. The figure also depicts that imports of mohair from NAFTA into South Africa attained a peak in 2001 at approximately 458,396 tons. Between 2002 and 2010 years, there were no imports of mohair from NAFTA into South Africa during the period under observation.



Source: Quantec

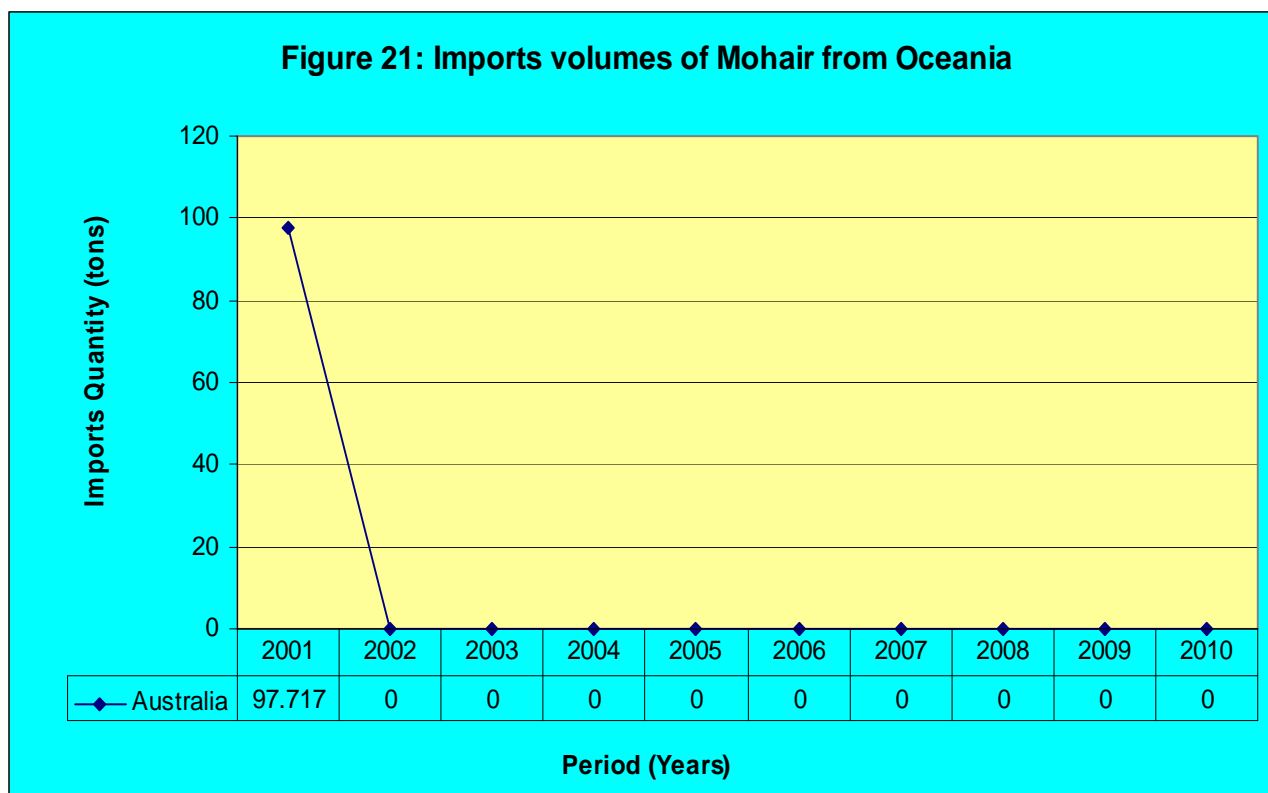
Figure 19 shows imports volumes of mohair from NAFTA into South Africa between 2001 and 2009. The figure further shows that during the period under examination, United States of America commanded the greatest share of mohair imports into South Africa. The figure also shows that imports of mohair from the United States of America into South Africa attained a peak in 2001 at approximately 458,396 tons. The figure further shows that during the same period under scrutiny, there were no imports of mohair from United States of America into South Africa.

Figure 20: Imports volumes of Mohair from European Union



Source: Quantec

Figure 20 indicates imports volumes of mohair from the European Union into South Africa between 2001 and 2010. The figure further indicates that during the period under examination, Denmark was the main import supplier of mohair into South Africa followed by Belgium. The figure also indicates that imports of mohair from Denmark attained a peak in 2001 at approximately 5,481 tons while Belgium attained a peak in imports of mohair also in 2001 at approximately 4,7 tons. The figure further indicates that between 2002 and 2010, there were no imports of mohair from the European Union into South Africa.



Source: Quantec

Figure 21 illustrates imports volumes of mohair from Oceania into South Africa between 2001 and 2010. The figure further illustrates that during the period under scrutiny, Australia commanded the greatest share of mohair imports into South Africa. The graph also illustrates that imports of mohair from Australia into South Africa attained a peak in 2001 at approximately 97, 717 tons during the period under review. Between 2002 and 2010 years, the graph illustrates that there were no imports of mohair from Australia into South Africa.

8. SHARE ANALYSIS

Table 1: Share analysis of provincial mohair exports to the total RSA mohair exports (%)

Years Provinces	2002	200	2004	2005	2006	2007	2008	2009
Eastern Cape	91.40	0.00	96.63	96.61	99.58	100	100	100
Western Cape	8.60	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Gauteng	0.00	100	3.37	3.39	0.42	0.00	0.00	0.00
Total	100	100	100	100	100	100	100	100

Source of data: Quantec

From Table 1 it is clear that Eastern Cape Province commanded the greatest share of South African mohair exports. This is due to the fact that Eastern Cape is the main production area of mohair and it is the main auction market.

Tables below from 2 to 4 illustrate analysis of district mohair exports.

Table 2: Share of district mohair exports to the total Eastern Cape provincial mohair exports (%)

Years Districts	2002	2003	2004	2005	2006	2007	2008	2009
Cacadu District	0.00	0.00	0.00	31.66	0.00	0.00	0.00	0.00
Nelson Mandela	100	0.00	100	68.34	100	100	100	0.00
Total	100	100	100	100	100	100	100	100

Source of data: Quantec

From Table 2, shows that Nelson Mandela Metro commanded the greatest share of district mohair exports from Gauteng.

Table 3: Share of district mohair exports to the total Western Cape provincial mohair exports (%)

Years Districts	2002	2003	2004	2005	2006	2007	2008	2009
City of Cape Town	100	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Total	100	0.00	0.00	0.00	0.00	0.00	0.00	0.00

Source of data: Quantec

From Table 3, shows that City of Cape Town Metro commanded the greatest share of district mohair exports from Western Cape.

Table 4: Share of district mohair exports to the total Gauteng provincial mohair exports (%)

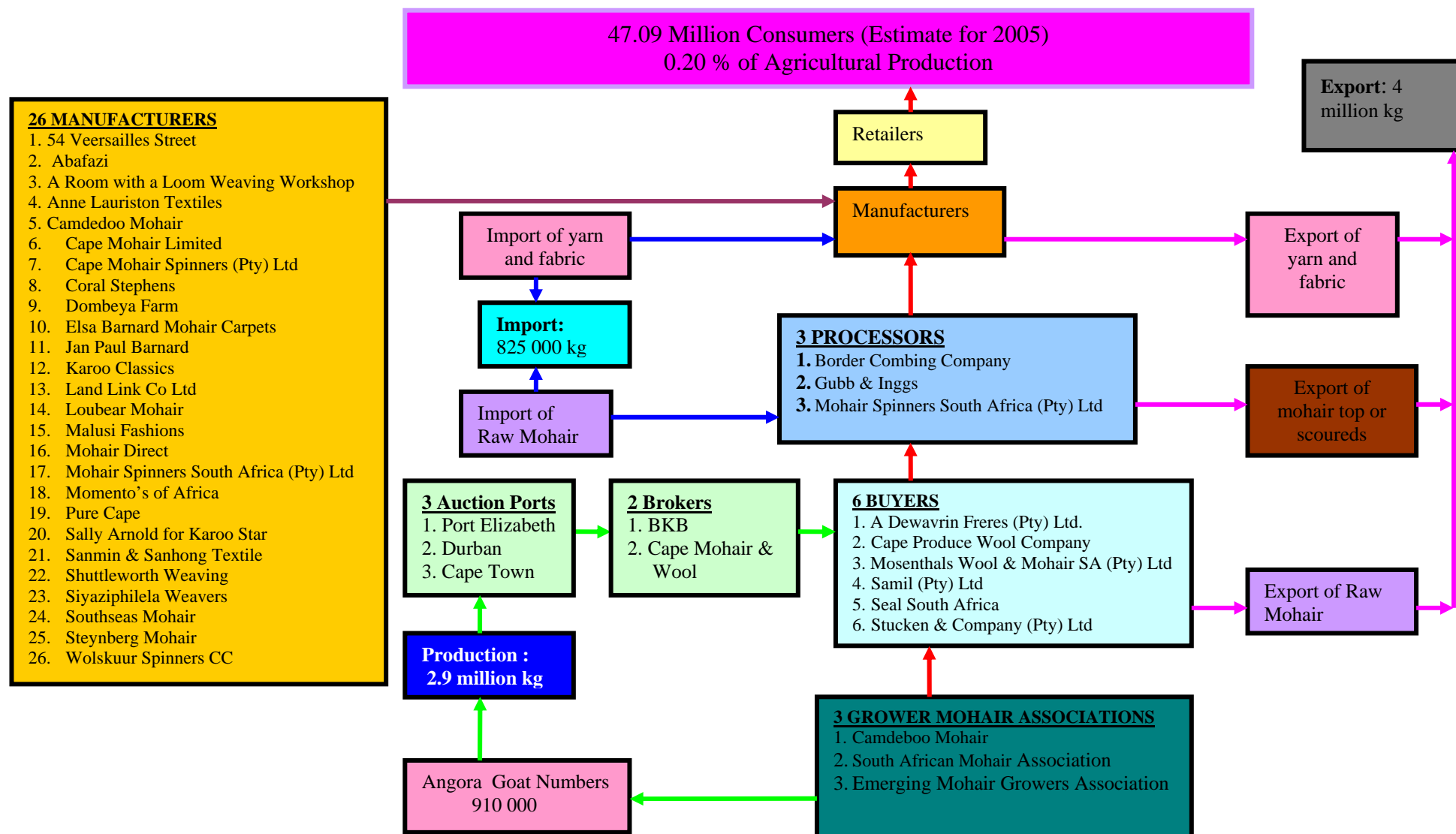
Years Districts	2002	2003	2004	2005	2006	2007	2008	2009
West Rand District	0.00	2.20	0.00	16.99	0.00	0.00	0.00	0.00
City of Johannesburg	0.00	97.80	100	83.01	100	0.00	0.00	0.00
Total	100	100	100	100	100	100	100	100

Source of data: Quantec

From Table 4, shows that City of Johannesburg commanded the greatest share of district mohair exports from Gauteng.

9. MOHAIR VALUE CHAIN

Figure 21: Structure of the mohair industry.



The value chain of mohair starts with 3 Grower Mohair Associations with members that owns 910 000 angora goats. Production in 2008 was estimated at 3 million kg of mohair that was traded through 3 auction ports managed by 2 brokers. Auctions are held every Wednesday during the production seasons and around 32 auctions took place throughout the year. There are 6 main buyers of mohair acting on behalf of local and international processors. Direct sales occur on a small scale. Processors process mohair into tops and scoureds and sent them to 26 manufacturers. Manufacturers produce products such as blankets, scarves, shawls, throws, plaids, bedcovers, cushions, yarn, fabric, etc.

Import and export of mohair occurs in every stage of the value chain; from raw wool to yarn and fabric. Import of raw mohair is mainly to be processed and re-exported. Import amounted to 825 000 kg of mohair while export was 4 million kg.

10. BARRIERS TO PARTICIPATION BY THE EMERGING SECTOR

The quantity and quality of mohair produced by small-scale producers vary from season to season due to:

- Very difficult conditions under which they farm, which is according to the communal pastoral system, whereby the veld belongs to the community.
- Breeding programmes are difficult and complicated to apply because all types of goats run together in the veld. This problem is aggravated during the mating season because the producer has to tend the goats day and night in order to avoid crossbreeding.
- Small-scale mohair producers lack sufficient and easy accessible sheltering, this poses a problem because Angora goats are very sensitive to drastic weather changes, usually more than one large shelter has to be erected on different locations on the farm and this can be quite costly.
- There is no sufficient shearing and mohair sorting equipment, applicable hair sorting and classing and classing knowledge of both farmer and laborers is minimal.

11. BLACK ECONOMIC EMPOWERMENT INITIATIVES

The industry has accepted the responsibility for Black Economic Empowerment and it has established projects as follows:

- a. The combined project with SAMIL and governmental organizations to establish training centers with the aim of training individuals in all aspects of mohair farming.

- b. The Hardwood project at Klipplaat (Mentoring).
- c. The mentoring project at Prince Albert.
- d. The mentoring project at Pearston.

12. MARKET ACCESS

12.1 Export tariffs for mohair

Tariffs that different importing countries applied to mohair originating from South Africa in 2009 are shown below.

Table 5:

No.	Country.	Trade Regime Description.	Applied Tariffs.	Total Ad Valorem Equivalent Tariff
1	Argentina	MFN duties	8.00%	8.00%
2	Australia	MFN duties	0.00%	0.00%
3	Belgium	MFN duties	0.00%	0.00%
4	China	MFN duties	9.00%	9.00%
5	Germany	MFN duties	0.00%	0.00%
6	Hong Kong	MFN duties	0.00%	0.00%
7	India	MFN duties	5.00%	5.00%
8	Italy	MFN duties	0.00%	0.00%
9	Japan	MFN duties	0.00%	0.00%
10	Mauritius	MFN duties	0.00%	0.00%
11	New Zealand	MFN duties	0.00%	0.00%
12	Thailand	MFN duties	1.00%	1.00%
13	United Kingdom	MFN duties	0.00%	0.00%

Source: Macmap

Mohair from South Africa is exported duty free to many countries. It is only Argentina, China, India and Thailand that apply 8%, 9%, 5% and 1% tariffs respectively.

12.2 Import tariffs for mohair

Tariffs that South Africa applied to imports of mohair originating from all possible countries in 2009 are shown in table 14 below.

Table 6:

No.	Country.	Trade Regime Description.	Applied Tariffs.	Total Ad Valorem Equivalent Tariff
1	Australia	MFN duties	0.00%	0.40%
2	Belgium	MFN duties	0.00%	0.10%
3	Brazil	MFN duties	0.00%	0.00%
4	Burkina Faso	MFN duties	8.50%	8.50%
5	China	MFN duties	8.50%	8.50%
6	Colombia	MFN duties	8.50%	8.50%
7	Czech Republic	MFN duties	8.50%	8.50%
8	France	MFN duties	8.50%	8.50%
9	Germany	MFN duties	8.50%	8.50%
10	Guatemala	MFN duties	8.50%	8.50%
11	Honduras	MFN duties	8.50%	8.50%
12	India	MFN duties	8.50%	8.50%
13	Italy	MFN duties	8.50%	8.50%
14	United Arab Emirates	MFN duties	8.50%	8.50%

Source: Macmap

Mohair from other countries to South Africa attracts a tariff of 8.50% except mohair from Australia, Belgium and Brazil where a tariff of 0.40%, 0.10%, and 0.00% is applied respectively.

13. MARKET INTELLIGENCE

**Table 12.1: List of importing markets for the product exported by South Africa in 2009
(Product: 5102 Fine or coarse animal hair not carded or combed)**

South Africa's exports represent 3.39% of world exports for this product; its ranking in world exports is 7.

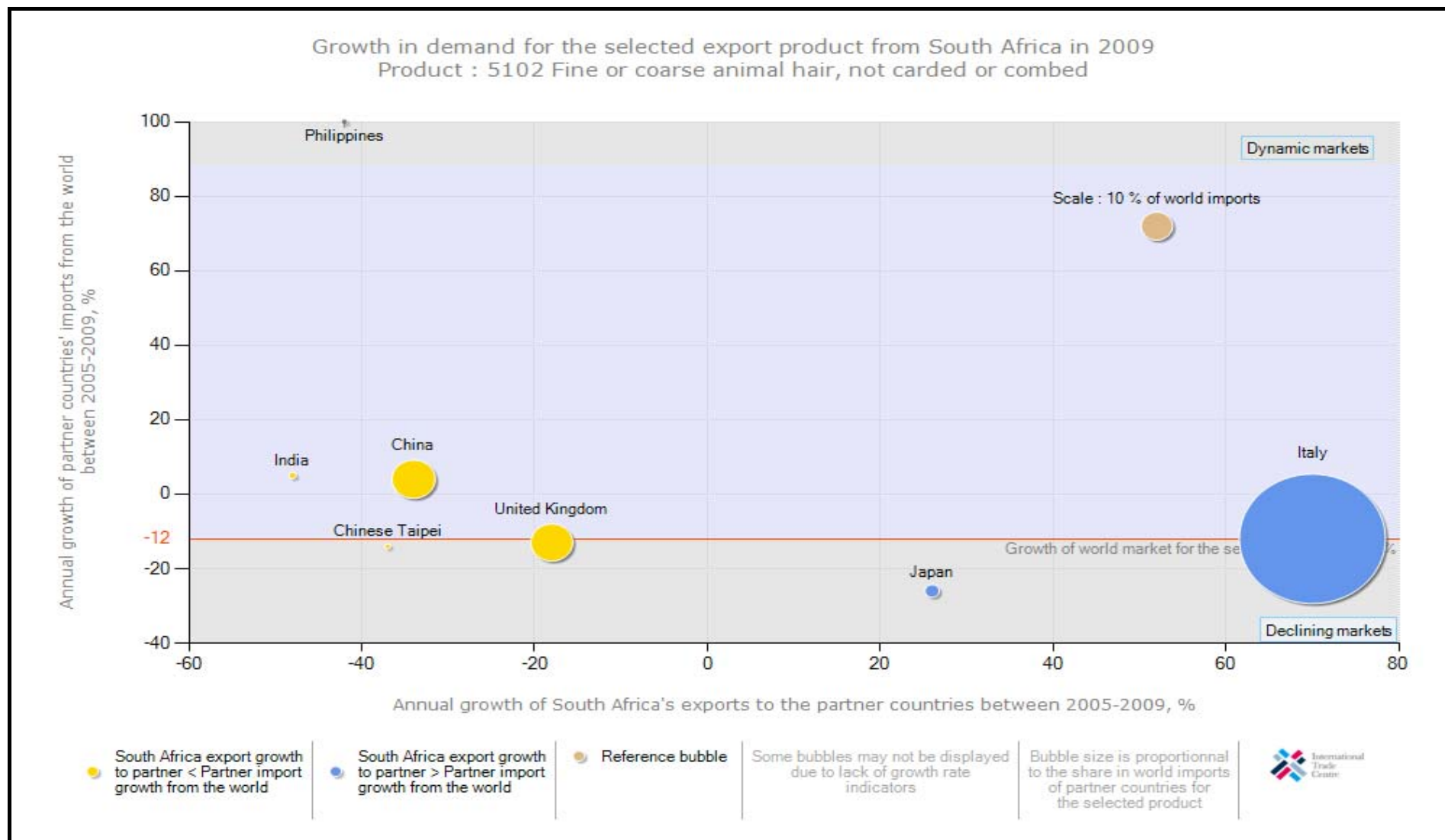
Importers	Trade Indicators							Tariff (estimated) faced by South Africa
	Exported value 2009, USD thousand	Share in South Africa's exports, %	Exported quantity 2009 (tons)	Unit value, (USD/unit)	Exported growth in value between 2005- 2009, %, p.a.	Exported growth in quantity between 2005- 2009, %, p.a.	Exported growth in value between 2008-2009, %, p.a.	
'World	4047	100	560	7227	-28	-21	-30	
'Italy	2698	66.7	309	8731	70	47	14	'n/a
'United Kingdom	704	17.4	190	3705	-18	9	-63	'n/a
'China	259	6.4	33	7848	-34	-31	-54	'n/a
'Japan	241	6	8	30125	26	15	6	'n/a
'India	85	2.1	8	10625	-48	-55	-12	'n/a
'Chinese Taipei	59	1.5	9	6556	-37	-33	-76	'n/a
'Philippines	1	0	0		-42			'n/a
'Zambia	1	0	3	333				'n/a

Source: ITC calculations based on COMTRADE statistics

Table 7 shows that during 2009 South Africa exported a total of 560 tons of coarse or fine animal hair at an average value of US\$ 7 227/unit. Italy and United Kingdom are the leading importers of coarse or fine animal hair, accounting for 66.7% and 17.4% respectively of South Africa's export market. Italy is the world's 1st leading importer of this product while United Kingdom is 2nd. Italy's imports worldwide experienced a growth in value of 70% and United Kingdom experienced a negative growth of 18% per annum over the period from 2004 to 2009, and the growth of the world market over the same period was -28% per annum.

However the table also shows that South African import market declined in 2009 compared to 2008 with a growth rate of -30%. At the same time Italy's wool imports from South Africa experienced an increase of 14% while United Kingdom experienced a decrease of 63% in value between 2008 and 2009.

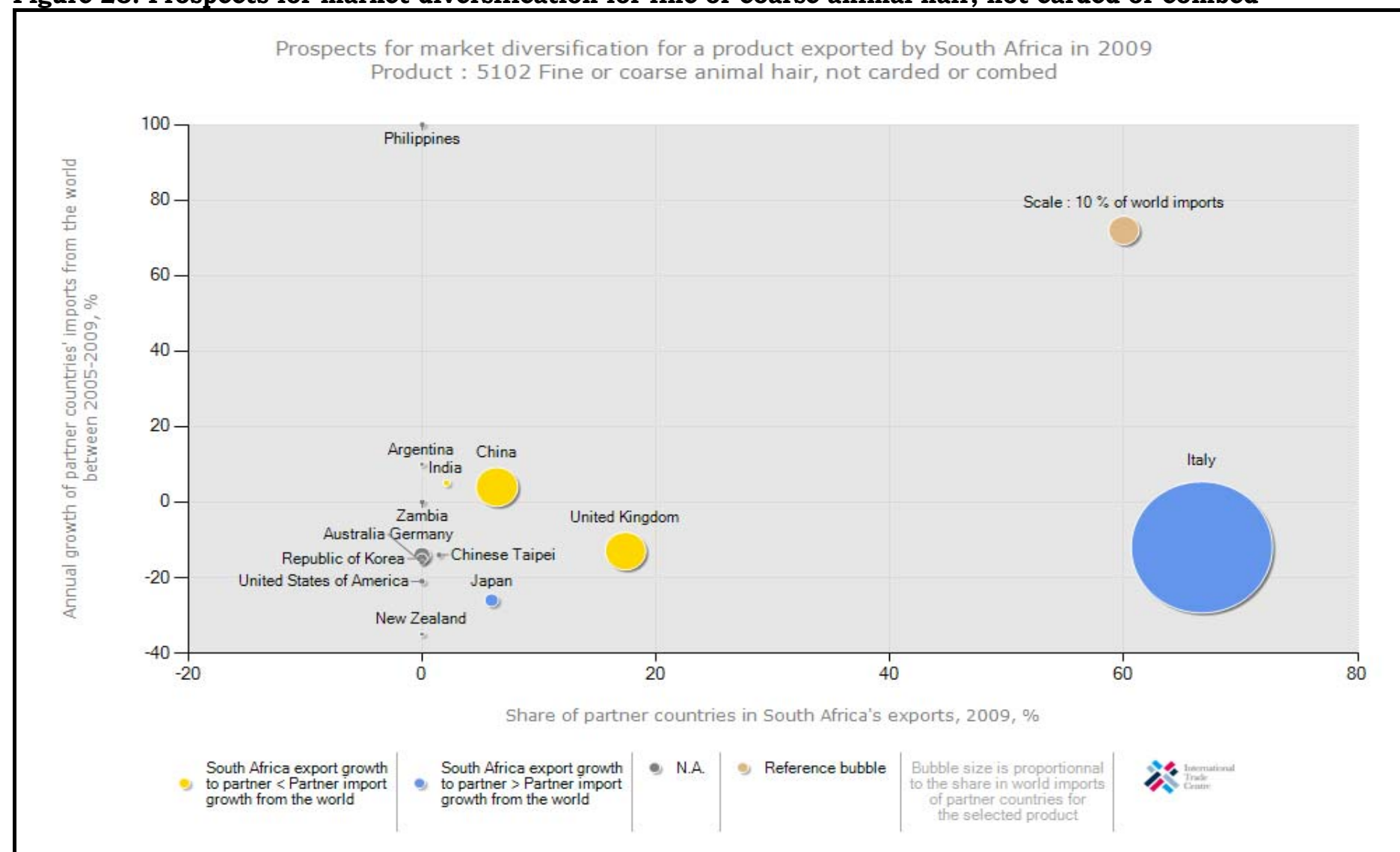
Figure: Growth in demand for fine or coarse animal hair, not carded or combed



Source: ITC (Trade map)

Figure 22 indicates growth in demand for fine or coarse animal hair (not carded or combed) exported by South Africa in 2009. The graph further indicates that Italy is the largest importer of fine or coarse animal hair. However, South Africa's exports of fine or coarse animal hair to Italy grew by 70% while Italy's imports from the world decreased by 12% between 2005 and 2009. Although United Kingdom and China are one of the biggest markets of fine or coarse animal hair from South Africa, their annual growth in imports decreased by 20 and 35% respectively while United Kingdom imports from the world decreased by 12% and China's imports from the world increased by 2% between 2005 and 2009. The graph also indicates that Japan is a declining market for fine or coarse animal hair from South Africa but its annual growth increased by 25% between 2005 and 2009.

Figure 23: Prospects for market diversification for fine or coarse animal hair, not carded or combed



Source: ITC (Trade map)

Figure 23 show that if South Africa has to diversify its exports of fine or coarse animal hair, markets exist in China, United Kingdom and India. Between 2005 and 2009 South Africa's fine or coarse animal hair exported to China, Chinese Taipei (Taiwan) and India were growing at a rate that is more than their import growth from the rest of the world. During the same period, South Africa's fine or coarse animal hair exports to Italy, United Kingdom, Germany and Japan were growing at a rate that is greater than their exports to the rest of the world.

By adding a horizontal line representing the world market growth and a vertical line representing the average growth of South Africa's import of this product, the following conclusions can be made:

- South Africa's exports for fine or coarse animal hair to India were growing while world's imports were also growing.
- South Africa's exports for fine or coarse animal hair to Italy were growing faster than world's imports.
- South Africa's exports for fine or coarse animal hair to Chinese Taipei and United Kingdom were increasing at a slower rate and experienced a declining world's imports.
- South Africa's exports for fine or coarse animal hair to Germany and Japan were growing while world's imports were declining.

12.2 COMPETITIVENESS OF SOUTH AFRICA'S MOHAIR IMPORTS.

South Africa's imports represent 1.24% of world imports for this product; its ranking in the world imports is 8.

Table 8: List of supplying markets for the product imported by South Africa in 2009 (5102 Fine or coarse animal hair, not carded or combed)

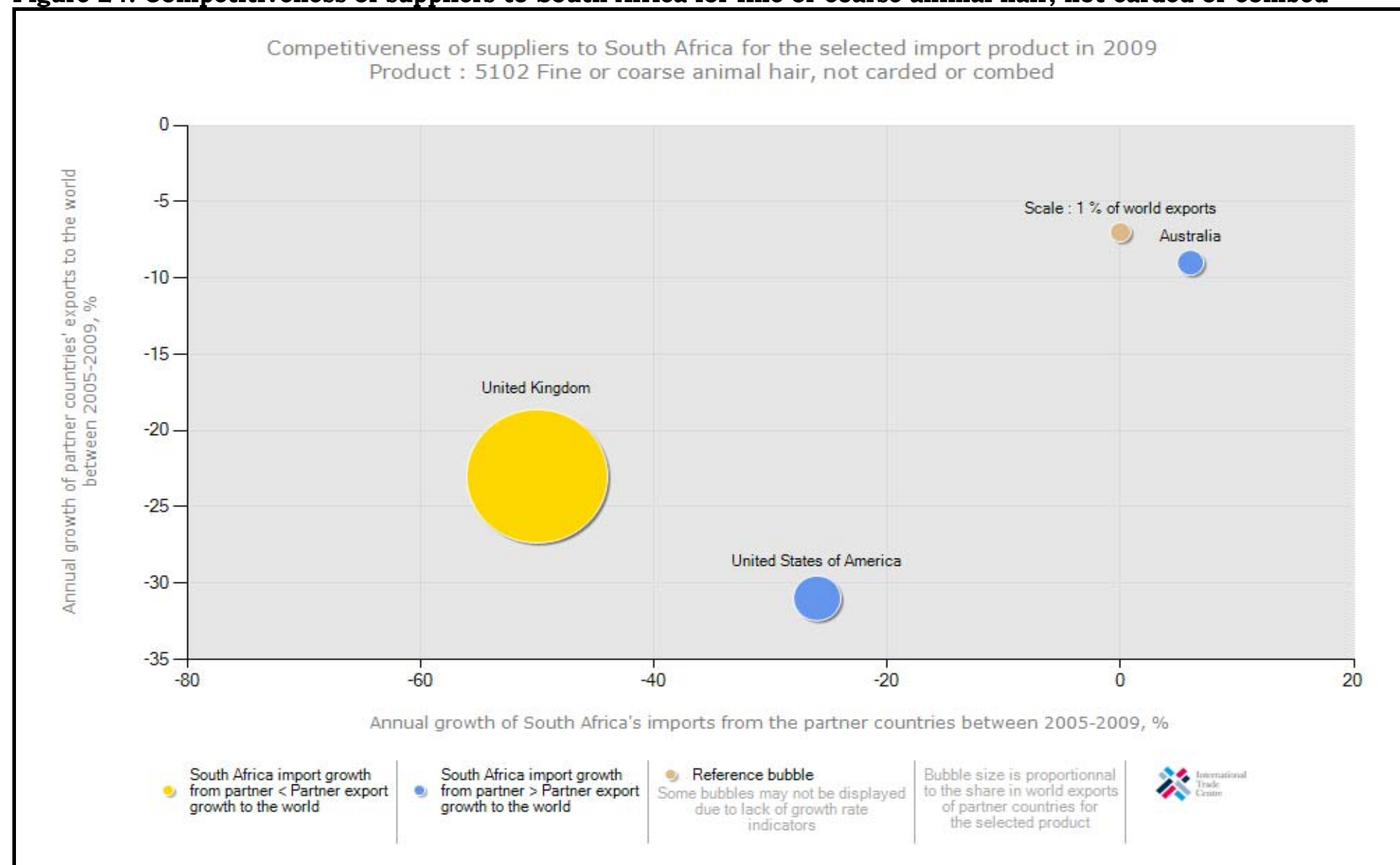
Exporters	Trade Indicators							Tariff (estimated) applied by South Africa
	Imported value 2009, USD thousand	Share in South Africa's imports, %	Imported quantity 2009 (tons)	Unit value, (USD/unit)	Imported growth in value between 2005- 2009, %, p.a.	Imported growth in quantity between 2005- 2009, %, p.a.	Imported growth in value between 2008-2009, %, p.a.	
'World	5023	100	796	6310	-16	-15	-7	
'United States of America	2740	54.5	474	5781	-26	-23	-13	'0.1
'Australia	1212	24.1	165	7345	6	10	-31	'0.1
'Argentina	590	11.7	102	5784		68	484	'0.4
'New Zealand	480	9.6	55	8727		29	30	'0.4
'United Kingdom	2	0	0		-50		-60	'0.1

Source: ITC calculations based on COMTRADE statistics

Table 8 shows that during 2009 South Africa imported a total of 796 tons of fine or coarse animal hair at an average value of US\$ 6 310/unit. United States of America, Australia and Argentina are the leading suppliers of fine or coarse animal hair, accounting for a share of 54.5%, 24.1% and 11.7% respectively of South Africa's import market. United States of America is the world's 8th leading exporter of this product while Australia is 15th. United States of America and Australia's exports worldwide experienced a growth in value respectively of -26% and 6% p.a. over the period from 2005 to 2009, and the growth of the world market over the same period was -16% per annum.

However the table also shows that South African import market declined in 2009 compared to 2008 with a growth rate of -7%. At the same time United States of America's exports to South Africa experienced a growth rate of -13% while Australia experienced a growth rate of -31% in value.

Figure 24: Competitiveness of suppliers to South Africa for fine or coarse animal hair, not carded or combed



Source: ITC (Trade map)

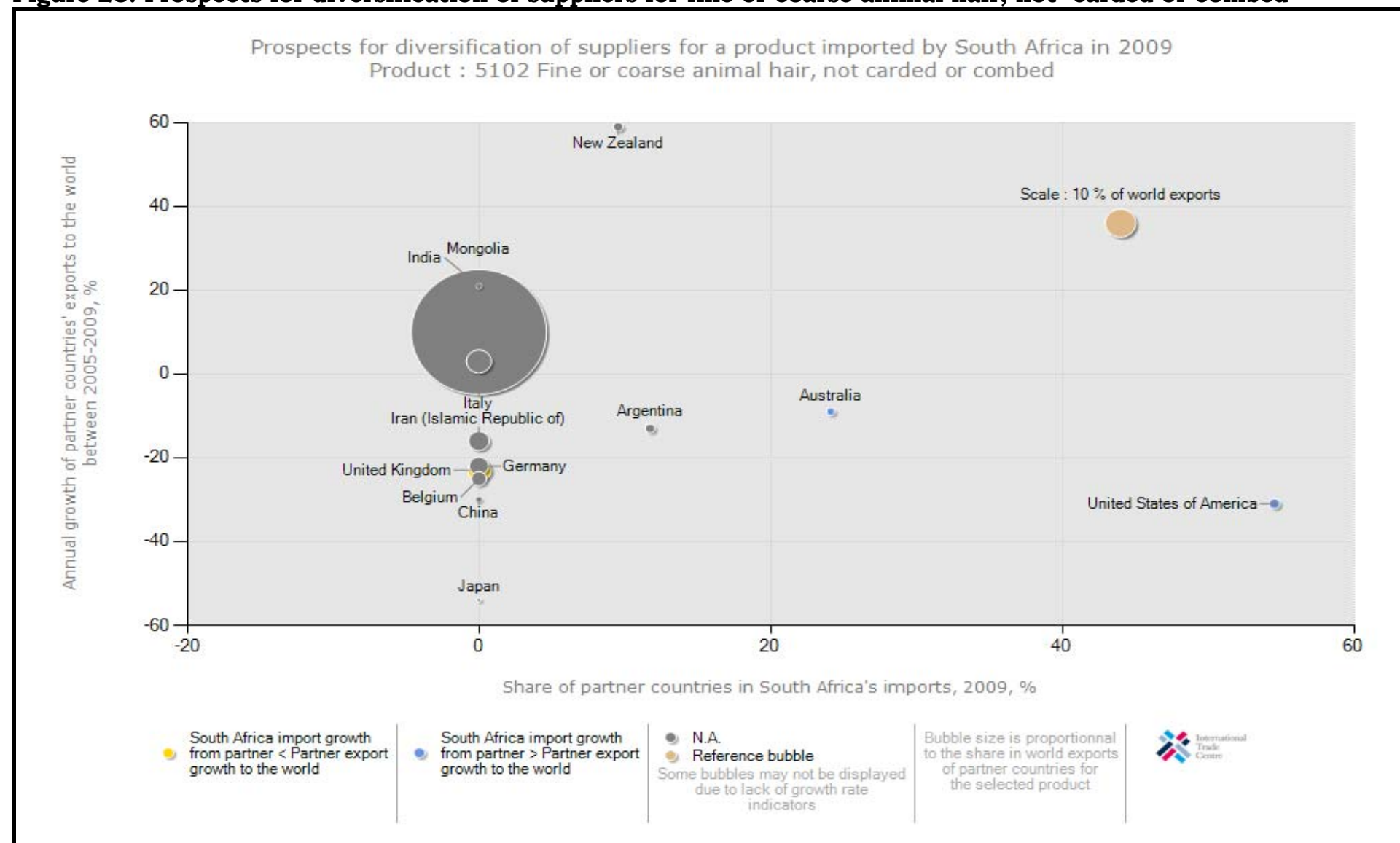
Figure 24 depicts competitiveness of suppliers into South Africa for fine or coarse animal hair from the world. Between 2005 and 2009 South Africa's fine or coarse animal hair imported from the United Kingdom were growing at a rate that is less than their export growth to the rest of the world.

During the same period, South Africa's fine or coarse animal hair imports from the United States of America and Australia were growing at a rate that is greater than their exports to the rest of the world.

By adding a horizontal line representing the world market growth and a vertical line representing the average growth of South Africa's import of this product, the following conclusions can be made:

- South Africa's imports for fine or coarse animal hair from United States of America and United Kingdom were declining together with world's exports.
- South Africa's imports for fine or coarse animal hair from Australia were growing faster than world's exports.

Figure 25: Prospects for diversification of suppliers for fine or coarse animal hair, not carded or combed



Source: ITC (Trade map)

Figure 25 indicates that if South Africa has to diversify its imports of fine or coarse animal hair, markets exist in United States of America and Australia. Between 2005 and 2009 South Africa's fine or coarse animal hair imported from the United States of America and Australia were growing at a rate that is more than their export growth to the rest of the world. By adding a horizontal line representing the world market growth and a vertical line representing the average growth of South Africa's export of this product, the following conclusions can be made:

- South Africa's imports of fine or coarse animal hair to United Kingdom, Belgium and Germany were growing while world's exports were declining.
- South Africa's imports for fine or coarse animal hair from United States of America were growing faster than world's imports.
- South Africa's imports of fine or coarse animal hair from Australia were also growing faster while world's exports were declining.
- South Africa's imports of fine or coarse animal hair from Germany and Japan were growing while world's exports were declining.

13. ACKNOWLEDGEMENTS

The following information sources are acknowledged:

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<http://www.fin24.com>

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<http://www.mohair.co.za>

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Quantec

www.quantec.co.za

Trade Map

www.trademap.org

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