Export Market Finder Service

COUNTRY	PRODUCT	
United States	HS940130	**Seats:** swivel with variable height adjustment, excluding medical, surgical, dental, veterinary or barber furniture.

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Department:
Trade, Industry and Competition
REPUBLIC OF SOUTH AFRICA

Export Market Finder Service

Realistic Export Opportunity Analysis for Market and Product Report on:

Country

United States

Product

HS940130

Seats: swivel with variable height adjustment, excluding medical, surgical, dental, veterinary or barber furniture trade, industry & competition

Department:
Trade, Industry and Competition
REPUBLIC OF SOUTH AFRICA

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Export Market Finder realistic export opportunity snapshot for

Product HS940130 to United States

Seats: swivel with variable height adjustment, excluding medical, surgical, dental, veterinary or barber furniture

Context

The realistic export opportunity snapshot report is an innovative client service using economic modelling to generate product-specific global market intelligence for South African exporters.

The approach identifies products and markets with export potential and opportunities for export diversification. The approach makes use of a detailed set of various aspects of international trade (e.g. market economics, risk, import demand patterns, concentration, access in terms of tariffs and logistics) to describe the specific country and product combination. This approach is recognised by the World Trade Organisation (WTO) as a trade facilitation tool.

This report contains a summary snapshot of outcomes for the exports of HS940130 to United States.

More technical detail is available on request from **Department of Trade, Industry and Competition (DTIC)**.

Evaluation

	Opportunity	
Overall evaluation – this is a realistic export opportunity	✓	
'Untapped' potential for this product into United States is estimated at	3,841.37 Mn ZAR	
Import tariff applicable to this product into this market	0% [2022]*	
United States positioned in terms of overall market opportunities	Position	out of
	1	41

Aspects considered

	Outcomes
Market economy size, wealth, growth trends and operational risk	✓
Market import demand size and growth patterns	✓
Market exhibits historical strong positive import demand growth	✗
Market is willing to trade with various alternative supplying countries for this product	✓
Market is relatively accessible in terms of logistics and tariff costs	✓

* Always check with latest actual tariffs into the target market before doing actual transactions – countries may change tariffs at any time and this tariff is indicative only.

The meaning of this...

Key Insights

Market import demand observations for this product:

United States's import demand is relatively large in global terms, but stable or 'flat' from a growth perspective. Note that United States does not have an absolute positive growth trend for this product over the period.

Competition in the market for this product:

A market's willingness to trade on a product with a variety of supplying countries is an indication that such a market may be more accessible to new alternative suppliers (such as from South Africa in this instance). Historical import patterns for United States specifically demonstrate that United States is trading with various alternative supplying countries for this product and hence this fact contributes to a more favourable evaluation of this opportunity from a market access perspective (see Competitors section for more details).

Access to market in terms of relative logistics and tariff costs

In relative terms for this product, United States is more accessible from South Africa in terms of logistics and tariff costs, than other markets for the same product. United States's import tariff level for this product from South Africa is also relatively low at 0% (at time of evaluation – this may change in real-time and always need to be confirmed before final decision making).

Market growth strategy for this product:

If a company's strategy is to focus on relatively large but stable markets; this may be an ideal market to enter. If the company is a new entrant to this market, the strategy would need to consider how to take market share from existing suppliers to this market. For new exporters this market may pose more challenges in terms of penetrating this market due to entrenched competitors.

Existing relationships with target market for this product:

South Africa to date has supplied none or relatively little of United States's import demand specifically for this product which means:

☞ **for mature exporters**:

If an exporter is mature at exporting this product already, United States may be an excellent opportunity to develop for the purposes of market diversification. It will however require some investment in terms of time, effort and costs to develop this market hitherto 'untapped' by South Africa's exporters.

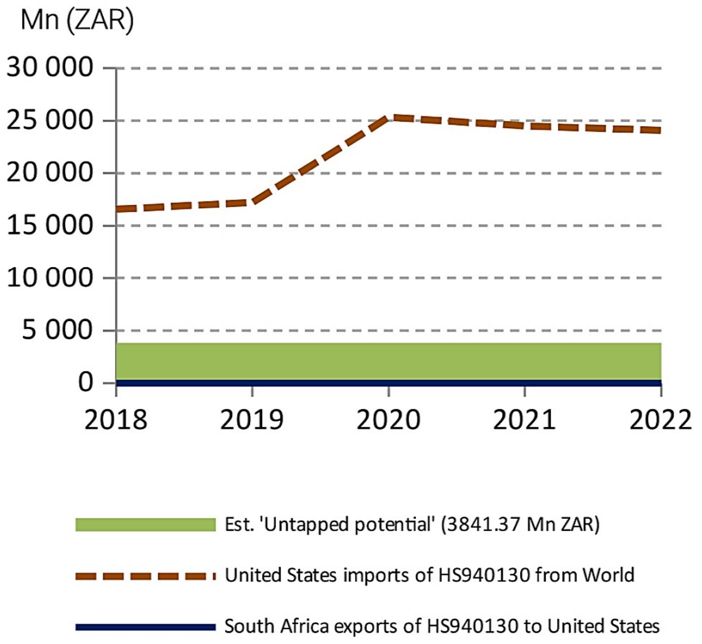
☞ **for less mature or new exporters**:

If an exporter is relatively new to exporting, United States may be a challenge to deal with and possibly alternative markets where South Africa has better established trade relationships for this product may be less risky to approach.

South Africa – United States trade for this product

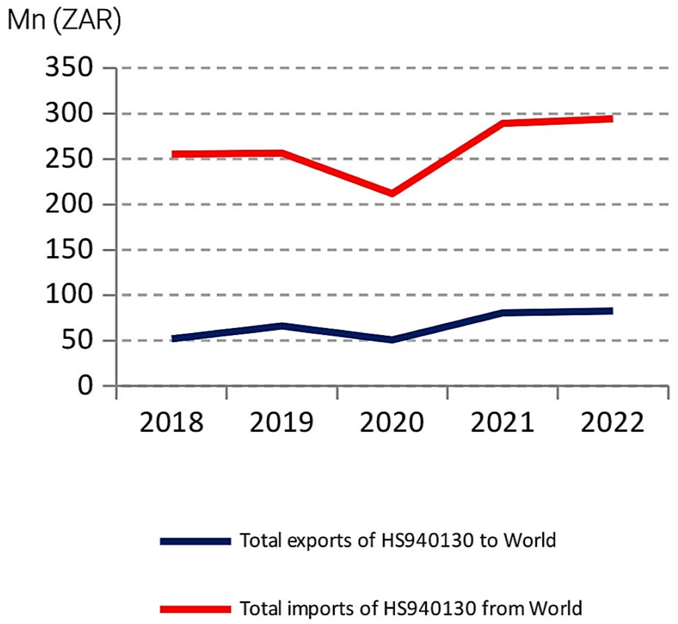
Trends

HS940130 total exports from South Africa relative to total imports and potential for United States



Source: TRADE-DSM, calculated from CEPII BACI data

South Africa total exports of HS940130 to the world

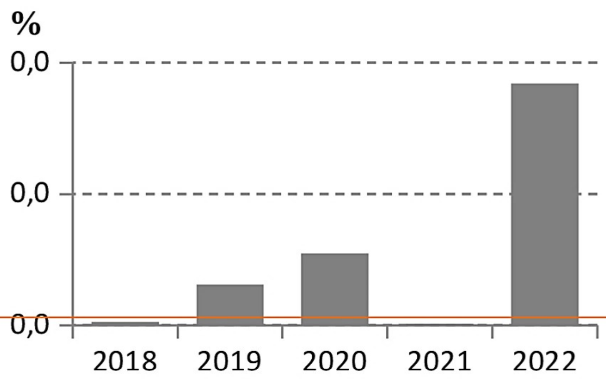


Source: TRADE-DSM, calculated from CEPII BACI data

The first chart displays South Africa's export value of the product (if South Africa historically did export this product to United States) contrasted relative to the overall trend of this product's import value (dashed brown line) into United States over the last 5 years. The estimated 'untapped' potential for United States (the solid green bar displayed in first chart) is also shown relative to the target market's total imports (dashed brown line) as well as existing exports from South Africa (solid blue line). In this instance the estimated 'untapped' potential associated with this opportunity is estimated to be 3,841.37 Mn ZAR.

The relative share of South Africa's exports of the specific product, relative to total imports of the same product into United States from all other trading partners, is demonstrated in the bar chart (solid bars). South Africa supplies around 0.0% of United States's total imports of this product (on a time-weighted basis).

South Africa import share of HS940130 into United States



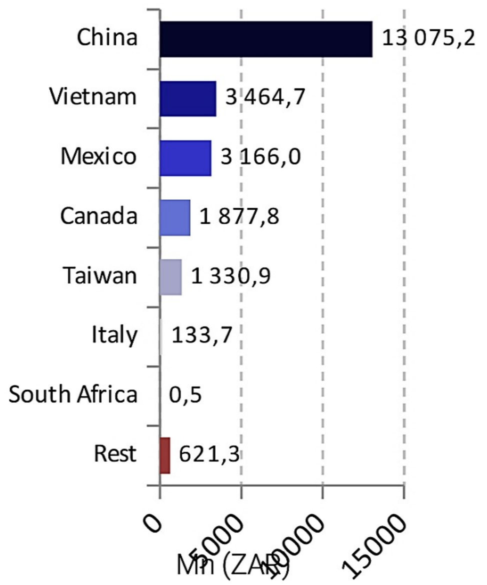
Source: TRADE-DSM, calculated from CEPII BACI data

Suppliers into United States for this product

Competitors

While the above analysis indicated that United States generally trades with a variety of supplying countries for this product, the following information provides more detail on the potential competing countries that currently are major suppliers of the product into this market. South Africa is always placed in the last position of the chart (before 'Rest'), irrespective of its actual position as supplier of this product into the target market, while the main competitors are shown for context. In the event that South Africa does not appear on the chart at all it means that South Africa has not supplied any of United States`s imports during the period of analysis. Overall, South Africa is ranked at position 36 out of 98 of all supplying countries of imports for this product into United States.

Item	Competitor(s)	Total value* imported by United States from source country (Mn [ZAR])	Share of import market (%)	Top supplying countries of HS940130 for imports into United States
1	China	13,075.17	55.24%	Average import value from top 6 competitors: 3,841.37 Mn ZAR (time-weighted)
2	Vietnam	3,464.67	14.64%	
3	Mexico	3,165.98	13.38%	
4	Canada	1,877.81	7.93%	
5	Taiwan	1,330.89	5.62%	
6	Italy	133.68	0.56%	
7	South Africa	0.47	0.0%	
8	Rest	621.35	2.63%	
	Total	23,670.07	100%	



Source: TRADE-DSM, calculated from CEPII BACI d

* Calculated on a 5-year time weighted basis

Next steps

- The information presented in this report is to be supplemented with further research so as to understand the trends that have been highlighted in this report.
- It is also advised that the company clarifies that the HS code utilized in the data analysis is correct and representative of the intended purpose of the company's products or service.
- It is suggested that after a review of this report, a further consultation should be arranged to gain insight into the company's market access strategy and approach to entering new markets.
- This should then assist in crafting an action plan for market access activities, supplemented with the appropriate resources.
- For more export support resources from Department of Trade, Industry and Competition (DTIC) please contact us.

Appendix – explanatory notes

Method

The information in this report is based on the TRADE-DSM (Decision Support Model)® methodology, developed by the North West University (Potchefstroom, South Africa see http://www.nwu.ac.za/trade) and TRADE Research Advisory (PTY) Ltd (see http://www.tradeadvisory.co.za).

- Market passes economic filter: "✓" means that the target market (in this case United States) passes relative "cut-off" thresholds, meaning this market relative to others is performing sufficiently well in terms of economic growth, size and operational and environmental risk factors to be viewed as an "acceptable" market to trade with from an macro-economic and risk perspective; "✗" means it does not.
- Product passes import demand filter: "✓" means that the import demand of United States for the selected product (in this case HS940130) passes relative "cut-off" thresholds, meaning that the import demand for the product relative to others is performing sufficiently well in terms of short and longer term growth as well as size. This opportunity can be viewed as an "acceptable" product and market combination to pursue from an import demand perspective; "✗" means it does not.
- Product has absolute positive historical growth: "✓" means that over and above the fact that the product and market combination pass the previous import demand filter requirements, it also exhibits not only relative, but also absolute positive growth over the period of analysis. Product-market combinations that meet this requirement are even more desirable from an export growth perspective; "✗" means it does not.
- Passes concentration filter: "✓" means that in relative terms the target market is willing to import the identified product from multiple different exporting (supplying) countries. International trade market research shows that it would be easier for a new supplier (country or company) to enter such a less concentrated market (from a procurement perspective) than an alternative where the market is very concentrated. Such concentration can be due to various factors, including monopolies and oligopolies active in the target market, or other factors such as e.g. shared cultural, language, political / historical relationships, religious and bi-lateral trade agreements to name but a few; "✗" means it does not.
- Product passes accessibility filter: "✓" means that for the target market in question and the specific product, relative to other opportunities, this opportunity passes relative "cut-off" thresholds for 3 main areas of market access. These are import tariffs applicable on the product into the target market; the cost (in terms of both time and actual administrative and other import costs) and relative logistical costs to move a container from the home market base port to the target market base port; "✗" means it does not.

The DTIC Export Market Finder Service is based on the TRADE-DSM®, a quantitative tool that assists with the identification of realistic export opportunities into global markets for a company's product based on a well-researched scientific and rigorous approach. The approach evaluates global trade data for all products and all markets, enabling one to review the trade flows between countries and also enabling one to zoom into the trade flows of specific products which are identifiable by 6-digit detailed international harmonised system (HS) tariff codes managed by the World Customs Organisation (WCO) and individual countries' customs and excise authorities (e.g. the South African Revenue Services, Department of Customs and Excise Trade Statistics, see https://www.sars.gov.za). The approach further allows for the application of various filters which include macro-economics, operational environment and political risk, size and growth of market, competition in the market, accessibility of a market, maturity of a market and also the ability or capacity of the home market to supply export goods. ® TRADE-DSM is a registered trade mark of North-West University, South Africa. Report version 202112.