

Drought has big impact on South African exports

A recent report put out by Maersk, a global shipping line, predicted a dip in fruit exports from South Africa for the latter part of 2016. That's largely a result of a drought that's sure to cut into production of citrus, apples and pears.



"There will likely be negative growth for 2016, and it's all linked to the drought; if there's no drought, then we'd see growth," said Maersk's Matthew Conroy. But he added that the effects of the drought haven't hit all parts of the country evenly, so some crops will be more impacted than others. The timing of each commodity's season will also determine how much exports will dip. Grapes, for instance, will be less impacted because that season runs early and thus avoided some of the worst parts of the drought.



It's also possible that the drought will also impact where exports will go. Sugar and moisture content will be affected, and because each market is particular in the demands it has for its imported fruit, the destination, and not just the amount, of fruit exported could be impacted.



"The fruit industry, in particular, is a fairly efficient business, so there haven't been any other major impacts," said Matthew. Local political squabbles could indirectly affect the business climate, but there have been no issues there so far.

For more information: www.maerskline.com

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