south african
cultural observatory

Final Report

International Trade

Submitted to: Department of Sports, Arts and Culture | **Submitted by:** Nelson Mandela University

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South African Cultural Observatory

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Executive Summary

Chapter 3 provides an analysis of South Africa's cultural goods and services trade, highlighting trends, international and regional trade relations, and growth opportunities for the creative economy. It mainly focuses on the post-COVID-19 pandemic impact and the rapid adoption of technology and Artificial Intelligence (AI) in the creative sector. The assessment of international and regional trading partnerships reveals that South Africa's cultural exports are predominantly directed to the USMCA (60%), SADC (18%), and the Middle East, while cultural imports are primarily from the EU, East Asia, and the USMCA. The analysis further indicates that while trade surplus is evident under USMCA, trade with SADC exhibits structural imbalances with potential for growth. The quantitative analysis, using the intra-industry trade (IIT) and trade complementarity index (TCI), indicates that South Africa has strong intra-industry trade with the USMCA across domains such as Visual Arts and Crafts, Books and Press, and Performance and Celebration. While minimum specialisation is observed with SADC, significant potential exists for trade expansion.

Trade performance by domain indicates that COVID-19 adversely affected South Africa's cultural goods trade. This is evident in the period between 2020 and 2023, where a sharp decline is observed across all domains. However, in 2024, Visual Arts and Crafts, Books and Press, and Performance and Celebration exhibit recovery. In addition, the growth rate of cultural exports shows that the Books and Press domain significantly increased across different regions, including Africa, Latin America and the Caribbean, and the Pacific. On the other hand, the Visual Arts and Crafts domain demonstrates an increase in regions such as Europe, Latin America and the Pacific. However, domains such as Cultural and Natural Heritage and Performance and Celebration exhibit a declining trend in Asia, the Rest of Africa, and Latin America. The analysis further indicates that exports of creative services in developing economies have significantly grown, accounting for about 57.63% of creative services trade in 2024.

Digitisation and the adoption of AI tools have emerged as key drivers of the transformation of creative content production, consumption, and distribution. These tools offer several opportunities, such as enhanced productivity and expanded market access; however, concerns remain regarding ethical compliance, data privacy, skills gaps, and digital exclusion. The analysis reveals that developing economies such as South Africa are increasing their adoption of digital transformation, boosting their share in global creative services. In contrast, developed nations such as the US remain dominant players in the creative international economy.

Overall, this report highlights the growing significance of creative industries, their role in driving economic growth, creating employment, and promoting South Africa's cultural identity in global markets. Challenges such as insufficient digital infrastructure, financial and regulatory constraints continue to persist, and this sector's growth is hampered. As such, there is a need for robust trade policies that align with industrial strategies. These include digital infrastructure investments and unlocking the creative economy's potential through harnessing AI. Furthermore, intra-African or cross-border trade frameworks such as AfCFTA enhance market access for cultural goods and services, promote economic growth and improved competitiveness worldwide, and thus aligning national trade policies with these frameworks is crucial for the development of the South African creative economy.

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List of Abbreviations and Acronyms

AGOA	African Growth and Opportunity Act
AU	African Union
BPM	Balance of Payments Manual
BRICS	Brazil, Russia, India, China, and South Africa
CCI	cultural and creative industries
dti	Department of Trade and Industry
dtic	Department of Trade, Industry and Competition
EBOPS	Extended Balance of Payments Services Classification System
EPAs	Economic Partnership Agreements
EU	European Union
EU28	28 countries of the EU
FDI	foreign direct investment
FTA	free trade area
FCS	Framework for Cultural Statistics
HS	Harmonised System
IIT	intra-industry trade
IP	intellectual property
ITC	International Trade Centre
MIIT	marginal IIT
NAFTA	North American Free Trade Agreement
PCR	Personal, Cultural and Recreational Services
SACO	South African Cultural Observatory
SACU	Southern African Customs Union
SADC	Southern African Development Community
SARB	South African Reserve Bank
TCI	trade complementarity index
UNCTAD	United Nations Conference on Trade and Development
UNESCO	United Nations Educational, Scientific and Cultural Organization
USMCA	US-Mexico-Canada
WTO	World Trade Organization

1. Introduction

The trade of creative and cultural goods and services has grown significantly over recent years both on a local and global scale (UNCTAD,2024). By trading in creative goods and services, countries worldwide have seen significant opportunities for economic growth, employment and cultural exchange. The potential of international cultural trade as a contributor to growth, development and job creation is increasingly being recognized. In a recent review of literature on cultural trade, Fazio (2021) notes that cultural trade flows are more evenly distributed than other trade. Kabanda (2018) points out that cultural trade can also help to build a positive country image or brand, which can result in more investment and trade in other sectors as well. The cultural economy can also be a driver of innovation, which can result in spillovers to other sectors, raising competitiveness and productivity (UNCTAD, 2016)

South Africa predominantly exports creative goods and services to the US-Mexico-Canada (USMCA) region, SADC and other African markets, while importing mainly from China, India, EU28, the US and Europe. Creative outputs such as Design Indaba, Joburg Art Fair and Durban Film Market are local events which showcase South African creative work to international markets. Creative and Cultural Industries (CCI) have contributed significantly to economic growth and employment creation. Despite the growth in international trade of creative goods and services over the years, developing economies continue to face challenges such as trade barriers, constrained human and financial capacity which have limited access to global market for cultural goods (UNCTAD,2019). Trade deficit in South Africa's creative industries and the minimal access to BRICS markets remain a challenge despite the global trade significantly indicating growth. Imports of cultural goods significantly dominate exports. Other challenges to the creative sector include limited access to finance for Small, micro, and medium-sized enterprises (SMMEs) who contribute towards the sector's value chain and regulatory constraints. Rapid technological transition within the sector has reshaped cultural trade, which presents a challenge to countries that are slower at transitioning towards digital platforms (OECD,2022).

Given these challenges, policymakers in South Africa align the trade of creative goods and services with industrial policy goals with a focus on domestic economic growth (dtic,2024). As such, the country's Industrial Policy Framework gives precedence to CCI&S and sectors which generate higher value-added growth. Strategic national initiatives such as the Reimagined Industrial Strategy and Sectoral Master Plan, identify CCI&S as a key driver of economic growth. In addition, regional agreements of trade such as the African Continental Free Trade Area (AfCFTA), the Southern African Customs Union (SACU), the SADC-EU Economic Partnership Agreement and national policies such as the Trade Policy and Strategy Framework and the 2025 'Butterfly Strategy' are vital for supporting the country's Sectoral Master Plan and promoting growth within the sector. These strategic initiatives and policies have provided critical insights into the creative economy's performance and resilience in the face of rapid technological transformation (dtic,2024).

This report (Chapter 3) examines South Africa's trade in cultural goods and services within the broader global context. The analysis explores trends in exports, imports, and trade balances, and identifies key regional trading partners and sectoral performance patterns. The discussion also considers the impact of digital platforms such as Artificial Intelligence on cultural trade flows both internationally and locally drawing inferences for policy. This report forms one part of the Cultural and Creative Industries Mapping Study 2025. The full list of chapters, each of which provides a detailed analysis of key aspects of South Africa’s creative economy, is as follows:

Chapter 1: Macroeconomic Impact Assessment
Chapter 2: Employment, Transformation and Ownership
Chapter 3: International Trade in Cultural Goods and Services
Chapter 4: Spatial Distribution - Provincial and Metro Assessment
Chapter 5: Economic Historical Context (including Toolkit / handbook)

The remainder of this chapter is structured as follows: **Section 2** provides a discussion of the growing importance of CCI&S trade, particularly in the context of the adoption of AI. **Section 3** outlines the data and methods used in the report, while **Section 4** presents the results and detailed analysis of the findings for 2024, with historical data included for comparative analysis. The analysis also includes the impact of AI generative tools on cultural trade flows and a comparative study of South Africa’s CCI&S trade with USMCA and SADC and BRICS. Finally, **Section 5** sets out the key conclusions of the study and discusses implications of the findings.

2. The impact of Artificial Intelligence (AI) on creative goods and services trade and the growing importance of CCI&S trade

2.1. Impact of Artificial Intelligence (AI) on creative goods and services trade

The demand for cultural goods and services has expanded, driven by technological innovation, digitalisation and the rising global demand for creative content (UNCTAD, 2024; OECD, 2022). The transition towards digital platforms has reshaped cultural trade by introducing new methods of distribution specifically in audiovisual sectors permitting developing countries to access international markets. In addition, SACO (2024) highlights that the adoption of advanced technologies has accelerated the commercialisation of cultural products, which has shifted economic power towards cultural activities that are digitally reproducible and tradable. As such, the creative economy has become integrated and synchronized aligning creative content such as writing, design, performance art and publishing with the core of the digital word. The transition of the sector towards digital platforms is driven by big data analytics, Augmented Reality (AR), virtual reality (VR), Blockchain, Digital Marketing and Artificial Intelligence (AI) (Anantrasirichai et al., 2025; Kofler & El Moussaoui, 2024). AI has emerged as the predominant digital platform which has transformed the creative value chain. The use of AI tools in creative content creation, distribution and consumption has resulted in positive impact on the overall creative economy. With AI tools, creatives are better positioned to match their content with consumer preferences through audience analytics and data-driven insights. In addition, AI tools automate time consuming and complex creative tasks particularly in the film industries (Anantrasirichai et al., 2025).

The adoption of AI is accelerating worldwide reshaping traditional global trade methods (Yin & Sieng, 2024; Ozturk, 2024). Creative content has become innovative which has resulted in enhanced productivity. In addition, trade costs have been become lower due to AI enhanced demand forecasting and optimization of trade routes and facilitating e-commerce exports. Other benefits of AI include the expansion of market access due to reduced trade barriers. Countries have begun to increasingly adopt AI-related provisions which promote safe and responsible AI usage in their trade agreements such as Regional Trade Agreements (RTAs) (OECD, 2022). In the transitioning of South Africa's CCI&S towards the use of AI, lessons can be learnt from initiatives worldwide which have leveraged technological changes in creative economies namely China, Dominican Republic (DR), the Gambia and Malaysia (Kofler & El Moussaoui, 2024). Firstly, China has transformed its creative content in particular traditional crafts by heavily investing in integrated digital technologies such as 3D printing, AR and VR. In the DR an AI strategy has been introduced which promotes innovation in the creative sector. In the Gambia, a Digital Economy Master Plan has been launched to address digital copyright threats within creative industries and transform trade methods for creative goods and services to incorporate AI. While in Malaysia, traditional performing arts has been blended with AR/VR highlighting an innovative shift towards digitization in cultural heritage.

Despite the opportunities that emerge from the adoption of AI tools in creative content, several challenges have emerged. AI has increased market concentration and promoted monopolistic behaviour which has negatively affected revenue generation for creatives (Ozturk, 2024). AI tools have the capacity to collect intimate personal data where creative work may be used without the creator's consent which conflicts with human rights protection and poses risk to the privacy of creatives. Creative content generated by AI undermines authorship, ownership and copyright resulting in ethical and legal challenges. The use of AI threatens ethical integrity as it undermines transparency, accountability and fairness (Jääskeläinen et al., 2022). Furthermore, AI systems require specialised skills to develop and maintain and the shortage of trained professionals within creative industries has resulted in the digital exclusion of many creatives in the sector.

To harness the positive impact of AI technologies on the international trade of cultural goods and services, effective trade policies are crucial. For instance, countries should enter into trade agreements that lower both tariffs and non-tariff barriers on creative goods and services (OECD, 2022). Policies that facilitate the transfer of knowledge and the movement of AI-skilled creators within the creative industries are equally important. Furthermore, robust data governance frameworks are essential to ensure harmonised cross-border regulations that enable the effective functioning of AI technologies (Ozturk, 2024).

2.2. The growing importance of CCI&S trade

Governments worldwide have increasingly recognised the creative industries as a key driver of economic growth and acknowledged the potential for international trade in creative goods and services as a significant contributor to economic development and employment creation. Early cultural policy developments in Latin America and the Caribbean highlighted trade liberation resistance, however over the years these countries together with EU member countries, have seen the potential for economic growth arising from trade in cultural goods and services. The liberalisation of trade in the creative economy provided access to new markets, which drastically increased exports in countries like Mexico, with its strong audio-visual sector. According to Kabanda (2018), growth in cultural trade projects the country's image in a positive light and this has led to increased investment in other sectors. Trade in cultural and creative goods and services has emerged as a key role player in promoting cultural diversity and national identity while creating jobs within the sector. In addition, the cultural economy's role in driving innovation has been widely recognised and has resulted in spillovers to other sectors, raising competitiveness and productivity. For example, innovative transformation in digital design within the creative sector is increasingly being applied in sectors such as advertising and education.

These arguments align with the African Union Agenda 2063 which recognises the potential of the CCI&S more generally in Aspiration 5: "Africa with a strong cultural identity, common heritage, values and ethics" (AU, 2015). An analysis of cultural trade in nine South American countries by Cardenas-Ayala and Valiati (2014) revealed that an increase in exports from sectors such as design, media and graphic art, was associated with a rise in the value of exports from other sectors in future years. To further harness the benefits of cultural trade, strategic trade policies must be directed towards promoting CCI&S exports to new and existing markets while simultaneously building domestic capabilities, upskilling and creating employment in the sector. This must be achieved in parallel with addressing capital or financing constraints faced by firms particularly small medium and micro enterprises (SMMEs) (dtic, 2019).

Furthermore, frameworks such as the African Continental Free Trade Area (AfCFTA) provide the continental dimension required within South Africa's trade policy to promote the country's cultural trade objectives. According to Africa Trade Insights (2024), the aim of the AfCFTA is to eliminate national barriers to the free movement of goods, services, and capital across member states' common borders. For the creative economy, the adoption of AfCFTA into South Africa's trade policy enables creators, artists and exporters of cultural goods to access demand throughout the continent. In addition, with the implementation of the AfCFTA, over fifty isolated national markets will be progressively replaced by a single integrated African market. This large continental market will attract large-scale investment in manufacturing, support the development of regional value chains, and spur Africa's industrialization. It will also improve economic diversification and boost resilience against external shocks. As such, AfCFTA is described as Africa's new blueprint for accelerated integration, prosperity, and transformation (Africa Trade Insights, 2024).

Despite the growing importance of cultural and creative goods and services trade, Jaramillo (2019) argues that cultural goods contribute the least towards international trade, a pattern evident in countries and regions in South America. This underscores the need for effective promotion of domestic cultural goods and services in such regions. The potential of cultural trade in contributing to economic growth is evident in countries that have domestic policies in place to support direct investment in creative industries. It becomes a challenge for countries with financial constraints and weak regulatory governance to enjoy the fruits of cultural and creative goods and services trade.

Table 1 gives an indication of the value of cultural goods exports by type and region. In 2024, the global growth rate of exports by type and region declined by approximately 1.3 %, driven by the export contraction in Africa, Asia and North America by approximately 7.75%, 4.14% and 6.01% respectively. The years preceding 2024 were marked by disruptions, including oil price shocks and COVID-19 pandemic, which significantly triggered a decline in cultural trade of goods and services. The lingering aftereffects of these disruptive events and continued vulnerabilities combined with geopolitical uncertainty have resulted in contractions in trade as depicted by the decline in the growth rate of exports in 2024 (UNCTAD, 2024). In addition, Bhorat et al. (2023) argue that insufficient digital infrastructure and adoption gaps play a significant role in cultural trade decrease in regions such as Africa. Conversely, in other regions such as Europe, Latin America and the Caribbean the total exports increased by 3.47% and 7.91% respectively, indicating that the economic disruption and rapid digitization effects are more pronounced in some regions than in others.

When examining the growth rate of exports by domain of creative goods, the Books and Press domain shows a significant increase in different regions including Africa, Latin America and the Caribbean, and the Pacific at 22.72%, 15.83% and 9.82% respectively. According to Salani and Tapfuma (2025), the Africa region has increased the availability and accessibility of AI which has transformed the publishing value chain and presented publishers with opportunities for growth. On the other hand, the Visual Arts and Crafts domain demonstrates an increase in regions such as Europe, Latin America and Pacific by approximately 13.73%, 26.28% and 10.37% respectively. According to SACO (2024) generative AI tools are largely being used currently to generate text and visual content, which explains the increase observed in the Visual Arts and Crafts domain. However, several domains show a decline, such as Cultural and Natural Heritage in Africa, Asia and Latin America - 61.65%, 25.03% and 13.52% respectively - while the Performance and Celebration domain in Africa shows a decline of 13.05%, Asia (12.16%) and Northern America (3.21%).

Table 1: Exports of creative goods by type and region, 2024 (US$ millions and percentage growth)

Region	A. Cultural and Natural Heritage	B. Performance and Celebration	C. Visual Arts and Crafts	D. Books and Press	E. Audio-visual and Interactive Media	F. Design and Creative Services	G. Sports and Recreation	Total
Africa	101,34	6,86	380,31	203,87	4,31	2 974,50	48,72	**3 719,91**
- Growth rate (%)	-61,65	-13,05	0,13	22,72	15,01	-6,35	42,14	-7,75
Asia	9 490,94	3 874,13	90 899,98	6 087,35	1 788,74	187 748,70	5 427,14	**305 316,99**
- Growth rate (%)	-25,03	-12,16	-11,37	-4,34	39,36	0,96	3,20	-4,14
Europe	2 663,17	766,99	53 087,55	17 387,10	542,47	139 414,95	4 461,92	**218 324,16**
- Growth rate (%)	6,84	-1,33	13,73	-0,28	4,72	0,37	6,32	3,47
Latin America and the Caribbean	234,86	57,88	2 269,37	734,63	60,90	8 054,49	275,45	**11 687,58**
- Growth rate (%)	-13,52	33,35	26,28	15,83	26,07	4,54	-16,90	7,91
Northern America	407,70	242,57	15 045,27	5 748,30	146,78	15 295,98	1 894,80	**38 781,40**
- Growth rate (%)	-4,83	-3,21	-10,43	-5,47	10,81	0,33	-18,52	-6,01
Pacific	34,68	30,27	228,61	74,44	72,90	1 485,34	152,00	2 078,24
- Growth rate (%)	26,05	4,73	10,37	9,82	7,89	2,56	54,76	6,83
World	12 932,69	4 978,70	161 911,09	30 235,69	2 616,11	354 973,97	12 260,03	**579 908,27**
- Growth rate (%)	-19,90	-9,79	-3,87	-1,66	27,39	0,72	0,12	-1,30

Source: UNCTAD,2024

2.3. Creative Services Trade

Creative services are defined as services with a significant creative content such as design, software development and advertising. Despite global economic challenges, the creative economy has shown resilience, with trade in creative goods and services growing by 3.1% and 2.9%, respectively. Over time, the creative services have become significant contributors to global trade and overall economic growth. UNCTAD (2024) reported that the global exports of creative services increased from $490 billion in 2010 to almost US$1.4 trillion in 2022. The export of creative services is predominantly driven by developed economies with high skill levels and well-developed digital infrastructure. In 2022, Europe was recorded to be the largest exporter of creative services (with exports of creative services reaching US$720 billion), followed by Asia (US$359 billion) and Northern America (US$274 billion). While growth in the trade of creative cultural goods is predominantly driven by the increase in the demand for crafts, design goods- including jewellery and fashion accessories - as well as software, video games, the demand for creative services is driven by digital media, advertising and software development (UNCTAD, 2024). Many developing countries experience sluggish growth in the trade of creative services, largely due to challenges such as lack of reliable F, high trade costs, restrictive policies and limited statistical capacity (UNCTAD,2019).

Table 2 below represents estimates of world creative services exports. The data indicates that developing economies accounted for about 57.63% of global creative services exports in 2024, although their annual growth rate declined by 3.47%. This significant share of creative services exports by developing economies is attributed to opportunities presented by the digitisation of creative goods and services as well as how developing economies are benefiting from this transition by providing cultural content to online distributors and reaching new markets (Salani and Tapfuma, 2025; SACO, 2024). In contrast, the annual growth rate for developed economies slightly increased by 1.63%, despite their share of global creative services exports declining by approximately 44.88% in 2024. According to the Trade and Development Report (2024), factors such as limited elasticity of demand, advanced technologies and AI based generation of creative goods and services are reducing the demand of creative exports from developed economies. In addition, the adoption of advanced technologies threatens to replace exports from developed economies with local production in developing countries, contributing to the decrease in creative export shares from developed economies.

Table 2: Exports of Creative Services by region and development status, 2023-2024

	2024		**2023–2024**
	US$ billions	**Shares (%)**	**Annual growth rate (%)**
World	579,91	100,00	-1,30
By development status			
Developed economies	253,86	44,88	1,63
Developing economies	326,01	57,63	-3,47
Transition economies	0,04	0,01	-19,45
By region			
Africa	3,72	0,66	-7,75
North America	38,78	6,86	-6,01
LAC	11,69	2,07	7,91
Asia	305,32	53,97	-4,14
Europe	218,32	38,60	3,47
Pacific	2,08	0,37	6,83

Source: UNCTAD,2023-2024

According to Kofler and Moussaoui (2024) digital transformation within the creative economy has led to a rapid adoption of tools such as Artificial Intelligence (AI) and various streaming platforms, all of which have driven change and growth in the sector. In addition, AI tools have emerged as a key driver of improved creative production by generating all forms of creative content from scripts, movies and music to virtual reality content. Anantrasirichai et.al (2025) argue that developing economies have implemented measures to improve cultural good and services trade and in doing so, have adopted digital tools such as AI to provide new opportunities while addressing persistent traditional challenges in the sector. The data presented in table 2 supports this finding. The surge in the exports share in developing economies might be explained by the catch-up effect theory, where developing countries experience high rate of growth and get closer to that of the developed nations (Peilin, L., Shen and Zhang, 2017). However, challenges such as lack of infrastructure and inadequate skills have contributed to the declining annual growth rate in developing nations particularly, in the realm of creative services.

3. Methodology for Measuring CCI&S Trade

3.1. Conceptual Framework

The measurement of trade in cultural and sports goods and services is guided internationally by the UNESCO Framework for Cultural Statistics (FCS, 2009). South Africa, like many countries, does not yet have its own official cultural statistics framework. Therefore, the UNESCO FCS provides the definitional and classification basis for identifying cultural trade.

The framework recognises six cultural domains—Cultural and Natural Heritage, Performance and Celebration, Visual Arts and Crafts, Books and Press, Audio-visual and Interactive Media, and Design and Creative Services—within which both goods and services can be classified (UNESCO, 2009). These domains form the point of departure for structuring the trade methodology.

3.2. Cultural Goods Trade

The UNESCO FCS identifies 85 six-digit product codes in the 2007 Harmonised System (HS) as relevant to cultural goods. These are distributed across the six cultural domains, with the majority concentrated in Visual Arts and Crafts (49 codes), followed by Performance and Celebration (19), Books and Press (11), Audio-visual and Interactive Media (3), Cultural and Natural Heritage (2), and Design and Creative Services (1).

Trade data for these product codes are obtained from the International Trade Centre's Trade Map database, which is built on UN Comtrade data, and supplemented with direct UN Comtrade extracts when additional disaggregation is required (ITC, 2021; UN Comtrade, 2021).

It is important to note that subsequent revisions to the HS have altered some of the original 2007 codes. For instance:

- The HS 2012 revision merged the six-digit code for "Video games of a kind used with a television receiver" (950410) into a broader category, "Video game consoles and machines" (950450). As Cattaneo and Snowball (2020) observe, this creates definitional challenges because not all sub-products in the new broader code are recognised as cultural goods.
- The HS 2017 revision combined "Photographic plates and film" (370510 and 370590) into a single category (370500). While this does not significantly affect results, it reduces the number of cultural goods codes from 85 to 83 in recent datasets.

These definitional changes underscore a broader challenge: product-based classifications reflect physical characteristics of goods rather than their cultural value. As argued by Cattaneo and Fryer (2002) and reiterated by UNESCO (2009), such systems cannot capture distinctions such as artisanal versus industrial craft production, nor the intangible cultural significance of certain goods.

3.3. Cultural Services Trade

Services trade is measured using the Extended Balance of Payments Services Classification (EBOPS), aligned to the sixth edition of the Balance of Payments and International Investment

Position Manual (BPM6). EBOPS identifies categories relevant to cultural services (UNESCO, 2009; Cattaneo & Snowball, 2020). These include:

- Core cultural services (e.g., licenses to reproduce/distribute audio-visual products, news agency services, advertising and market research, architectural services, and heritage services).
- Services related to equipment and supporting materials (e.g., computer software licensing, computer and information services).
- Related cultural services and tourism, particularly Other personal travel (4.2.3) which includes cultural-related travel.

Data for South Africa's cultural services trade are drawn from two main sources:

1. South African Reserve Bank (SARB) balance of payments data, which reports at a broad level for categories such as charges for intellectual property, telecommunications and information services, and personal, cultural, and recreational services.
2. The ITC-UNCTAD-WTO Trade in Services Database, which disaggregates further into categories such as audio-visual services (11.1) and heritage and recreational services (11.2.3).

A methodological challenge lies in the modes of supply as defined by the World Trade Organization (WTO). While services trade statistics capture Mode 1 (cross-border supply), and partly Mode 2 (consumption abroad) and Mode 4 (movement of persons), they exclude Mode 3 (commercial presence). Given that commercial presence is often central to cultural services (e.g., foreign-owned music labels, sports franchises, film studios), this gap suggests the value of complementary data sources such as foreign affiliate statistics and FDI flows (UNCTAD & WTO, 2012).

3.4. Analytical Techniques

3.4.1. Intra-Industry Trade (IIT)

Intra-industry trade (IIT) measures the extent of two-way trade in similar goods and is particularly relevant for assessing competitiveness and industrial upgrading. The analysis applies the trade-weighted Grubel–Lloyd index, which accounts for the relative importance of each product within a cultural domain (Cattaneo & Snowball, 2020; UNCTAD & WTO, 2012).

- The index ranges from 0% (pure inter-industry trade) to 100% (pure intra-industry trade).
- IIT indices are computed for South Africa's trade with SADC and USMCA (2019) and compared with earlier results for EU, BRICS, and Africa (2018).
- High IIT scores are associated with lower adjustment costs to trade expansion and with participation in higher-value manufacturing (Cattaneo & Fryer, 2002).

3.5. Trade Complementarity Index (TCI)

The TCI assesses the fit between one country's exports and another's import demand (Michaely, 1996; UNCTAD & WTO, 2012).

- An Export TCI measures overlap between South Africa's cultural exports to the world and a partner's cultural imports.
- An Import TCI measures overlap between South Africa's cultural imports and a partner's export structure.
- TCIs are computed at the six-digit HS level for South Africa–SADC and South Africa–USMCA (2019).

High TCI values signal potential for expanded bilateral cultural trade, even in the absence of strong existing flows.

3.6. Limitations and Considerations

- Classification inconsistencies: UNESCO, UNCTAD, and ITC each use slightly different product sets to define creative goods, complicating comparisons (Cattaneo & Snowball, 2018).
- Digitisation and dematerialisation: Music, film, and press increasingly move into digital form, making services data more relevant but harder to capture (UNESCO, 2009).
- Data disaggregation: Too much aggregation obscures patterns, but too much disaggregation makes IIT impossible to identify. The six-digit HS level is adopted as a balanced approach.
- Coverage gaps: Services trade data are incomplete, especially for low- and middle-income countries, and do not capture Mode 3 commercial presence.

4. Results

4.1. South Africa's cultural goods trade

South Africa's exports, imports and trade balance is presented in Table 3 below, expressed in US$ millions from 2020 to 2024. The table also provides the percentage shares of cultural goods and exports in total commodity as well as the average annual growth rates of cultural goods trade relative to total commodity trade from 2020 to 2024.

Table 3: South Africa's cultural goods trade: US$ millions, percentage shares and average annual growth rates relative to total commodity trade (2020-2024)

Cultural goods	**2020**	**2021**	**2022**	**2023**	**2024**
Exports (US$ million)	316,46	313,94	296,25	278,46	303,66
Imports (US$ million)	257,80	240,34	224,24	209,02	239,43
Trade balance (US$ million)	**58,66**	**73,60**	**72,01**	**69,44**	**64,23**
Exports (% share of commodity exports)	0,37%	0,26%	0,24%	0,25%	0,28%
Imports (% share of commodity exports)	0,38%	0,15%	0,20%	0,19%	0,24%
Average annual growth rates (%)	**2018 - 2020**	**2020 - 2021**	**2021 - 2022**	**2022 - 2023**	**2023 - 2024**
Cultural goods exports	-16,03	-0,8%	-5,6%	-6,0%	9,1%
Cultural goods imports	-26,19	-6,8%	-6,7%	-6,8%	14,6%
Total commodity exports	-5,12	44,4%	-0,1%	-10,5%	-0,2%
Total commodity imports	-14,52	36,3%	19,5%	-4,1%	-5,6%

Source: TradeMap Data, 2025

Table 3 shows that trade declined from 2020 to 2023 as the effects of the COVID-19 pandemic continued to affect the exchange of cultural goods. The lower part of the table, which shows average annual growth rates, indicates that cultural goods exports declined by 16.03% per annum between 2018 and 2020, while total commodity exports declined by 5.12%. Between 2020 and 2021, cultural goods exports continued to decrease by about 0.8%, even as the total commodity exports surged by approximately 44.4%. The downward trend in cultural exports, as measured by average growth rates, persisted in 2021-2022 and 2022-2023, by 5.6% and 6%, respectively. Similarly, during these periods, total commodity exports declined by 0.1% and 10.5% respectively. Cultural goods exports increased from approximately US$278 million to US$304 million in 2024, representing a 9.1% increase year on year.

The cultural goods imports show a declining trend of the average annual growth rates from 2018-2020, falling by 26.19%; likewise total commodity imports declined by 14.52%. During the periods 2020-2021 and 2022-2023, cultural goods imports declined by 6.8%, 6.7% and 6.8%. In contrast, total commodity imports increased by 36.3%, 19.5% and declined by 4.1%

in 2022-2023.The year 2024 showed a positive shift in cultural imports trade, with a notable increase of 14.6% while the total commodity imports saw a 5.6% decline. Despite the declining trends observed in both cultural exports and imports between 2020 and 2023, the trade balance for South Africa remained positive throughout the period. In 2024, the trade balance stood at approximately US$64 million indicating a continued surplus in cultural goods trade.

From Table 3 above, notable observations emerge. Trade in cultural goods exhibited a prolonged decline compared with total commodity trade which, increased sharply increased during 2020- 2021. This demonstrates that cultural trade is more volatile than total commodity trade, suggesting that cultural trade is less adaptable to challenges such as the COVID-19 pandemic. The results also indicate that there was a reduction in foreign supply availability as the annual growth rate of cultural imports declined more sharply during the COVID 19 pandemic. Cultural trade had a strong rebound in 2024 outpacing total commodity trade, signifying a delayed recovery from the COVID-19 pandemic compared to other sectors. According to UNCTAD (2024), commodities such as fuels, metals and foodstuff rapidly recovered from the pandemic in 2021to 2022 due to rising global demand. By contrast, cultural trade relied on the easing of the COVID-19 restrictions, the resumption of cultural activities such as live performances, exhibitions and tourism was delayed. As a result, its recovery became significantly evident in 2024. Furthermore, rapid digitization of cultural goods and services has created new platforms during the pandemic such as streaming, gaming and digital media which have significantly expanded in 2024.

Figures 1 and 2 present an analysis of South Africa's cultural goods trade and total commodity trade expressed in US$ millions from 2017Q1 to 2024Q3. The focus is on the period before and after the COVID-19 pandemic. Figure 1 indicates that cultural goods exports and imports experienced a fluctuating trend between 2017Q1 and 2020Q1 until a sharp decline in 2020 Q2. This decline was caused by the early effects of the COVID-19 pandemic. Examining the trend of cultural exports reveals a flat movement between 2019Q4 and 2020Q1, followed by a sharp decrease from approximately US$108 million in 2020Q1 to US$31 million in 2020Q2 as South Africa implemented strict lockdown measures. In addition, there was a strong recovery in cultural-goods exports to US$103 million between 2020Q2 and 2020Q4, but exports fell again in 2021Q1 during the pandemic's second wave to US$69 million. The third wave of COVID-19 in 2021Q2 resulted in a slight recovery in cultural-goods exports to US$94 million before declining to US$90 million in 2021Q3. The downward trend further intensified in 2022Q1, with cultural exports at US$64 million. In 2023Q1, cultural-goods exports increased to US$88 million. The following periods exhibit a similar trend, with cultural-goods exports stabilising at approximately US$80 million. Overall, these results indicate that South Africa's export markets have demonstrated notable resilience, supported by a range of factors, including the expansion of digital platforms and the strategic adoption of AI-enabled tools that enhanced cultural product visibility, distribution efficiency, and creative content development during the pandemic period.

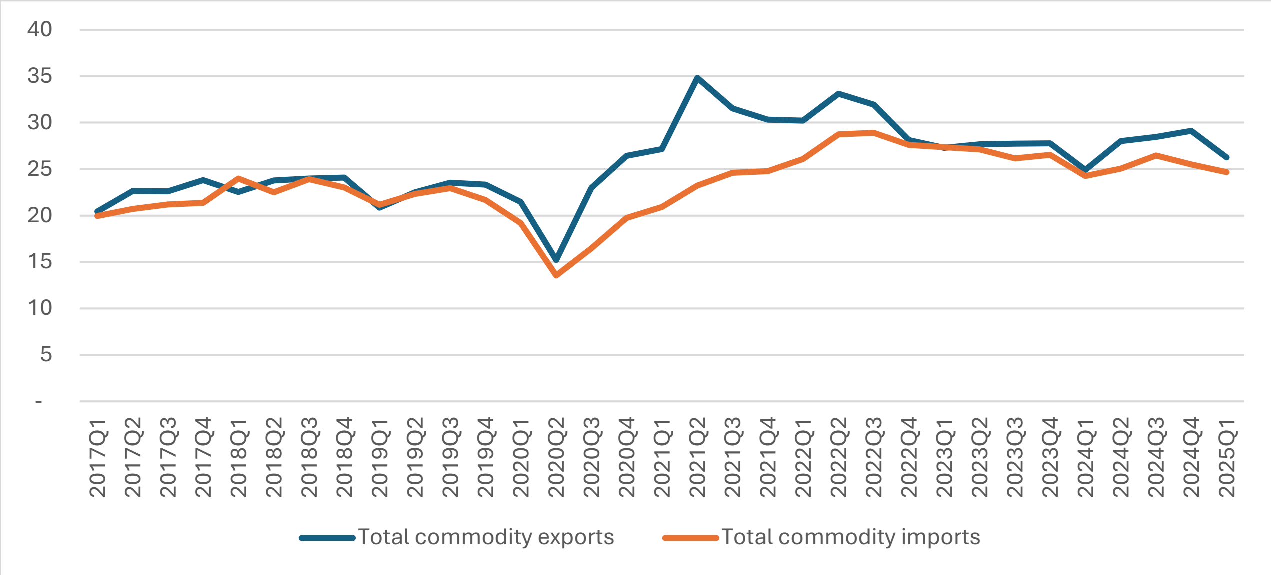
On the import side, cultural goods imports show a declining trend between 2019Q4 and 2020Q1, the period preceding the COVID-19 pandemic. During this period, cultural goods imports declined from approximately US$110 million to US$81 million. In 2020 Q2, cultural goods imports fell sharply to about US$33 million. By 2020 Q4, cultural goods imports partially recovered to US$86 million and further increased to US$93 million in 2021Q1. The results depicted in Figure 1 indicate that although cultural imports gradually improved over time, their recovery remained modest compared with that of cultural exports. In addition, the third quarter of 2021 recorded a temporary deficit in import growth and a slight decline in exports. Similarly, cultural imports fell from US$56 million (2021Q4) to US$49 million in 2022 Q1. The downward trend continued until a notable increase in 2024 Q4, when cultural imports reached approximately US$63 million. Overall, while cultural goods exports initially recovered more rapidly following the pandemic restrictions, they have not yet returned to pre-pandemic levels, as evidenced by a gradual and lagging recovery between 2021 and 2024.

Figure 1: South Africa's cultural goods trade 2017Q1–2024Q4 (current US$ millions)

Source: Authors' computations based on TradeMap Data 2025 quarterly extracts.

The analysis of total-commodity trade presented in Figure 2 complements these findings, revealing a similar pattern of volatility shaped by the COVID-19 pandemic and its aftermath. The results indicate that in 2018Q4, total-commodity exports and imports were experiencing a declining trend. However, between 2019Q1 and 2019Q3, the trend improved, and an upward movement is observed for both exports and imports. This upward momentum was short-lived, as a sharp decline occurred in 2020Q2, reflecting the broader economic shock of the pandemic. A recovery was observed from 2020Q3, with total-commodity exports and imports reaching approximately US$23 million and US$16 million, respectively. The upward trend continued into 2021Q1, with exports rising to about US$27 million and imports to US$21 million. A sharp rise followed in 2021Q2, with exports increasing to US$35 million and imports to US$23 million. From 2021Q3 to 2023Q4, the data indicate moderate fluctuations, ranging between US$31 million and US$28 million for exports and approximately US$24 million to US$26 million for imports. In 2024Q1, both total-commodity exports and imports declined significantly to about US$25 million and US$24 million, respectively, before recovering in 2024Q4. Overall, these findings highlight the interdependence between cultural and total-commodity trade, both exhibiting cyclical patterns and pandemic-induced volatility, though cultural trade showed a slower and more uneven recovery trajectory.

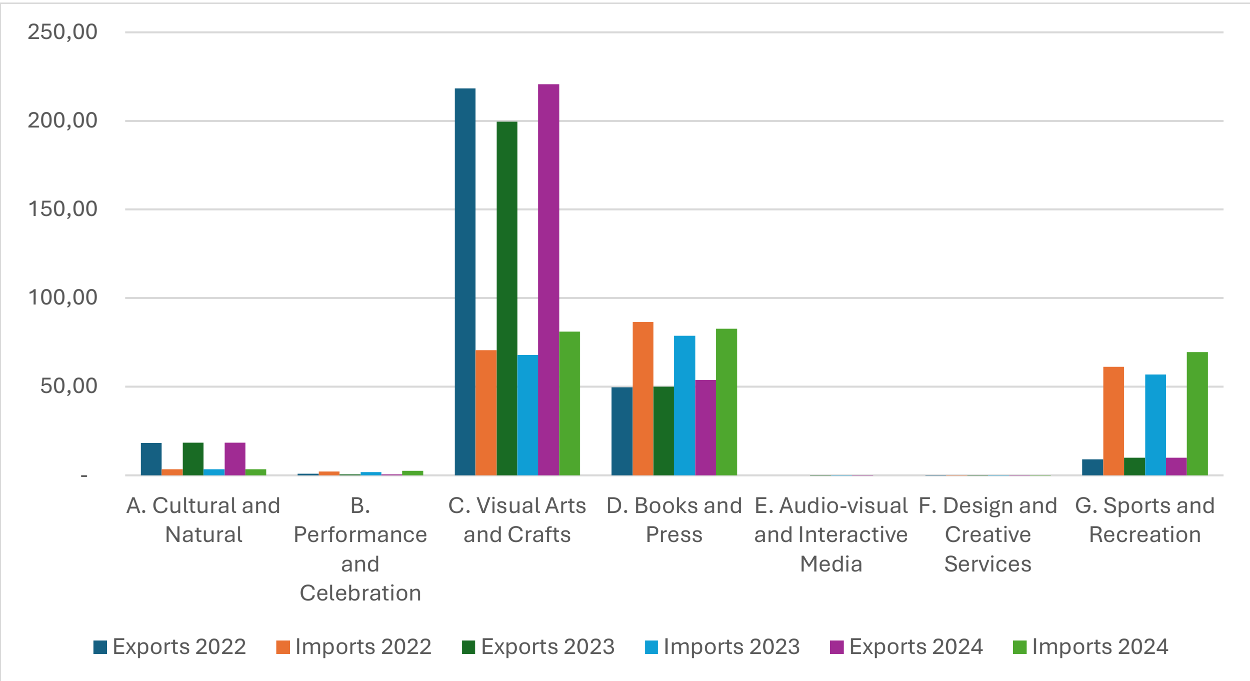
Figure 2: South Africa's total commodity trade 2017Q1-2024Q4 (current US$ millions)



Source: SACO, Authors' computations based on TradeMap Data 2025 quarterly extracts.

The analysis further explores patterns in trade of cultural goods across various cultural domains. Figure 3 below illustrates cultural goods exports and imports by domain for the periods 2022-2024 in US$ millions.

Figure 3: South Africa's cultural goods exports and imports by domain: 2022-2024 averages compared (US$ millions)



Source: Authors' computations based on TradeMap Data 2022-2024.

Figure 3 demonstrates the trend of cultural goods exports and imports by domain. The most significant domains between 2022 to 2024 include Visual Arts and Crafts, Books and Press, and Performance and Celebration. South Africa recorded a trade surplus in Visual Arts and Crafts, followed by the Books and Press domain. According to Salami and Tapfuma (2025), this trend is attributed to the rapid adoption and wider access to technology and AI, which have transformed the publishing value chain and expanded the use of digital platforms for promoting cultural goods. Trade in Cultural and Natural Heritage and Sports and Recreation remained positive; however, although these domains grew, their growth was slower compared with that of Visual Arts and Crafts and Books and Press. The largest cultural-trade deficits by domain during 2022–2024 were observed in Performance and Celebration, Audio-Visual and Interactive Media, and Design and Creative Services.

On the other hand, imports in the Books and Press domain were high in comparison to exports and reported about US$87million in 2022; US$78.83 million in 2023 and US$83 million in 2024. A similar trend is observed in the Sports and Recreation domain, where cultural imports are reported to be approximately US$61.27 million in 2022; US$56.96 million in 2023 and US$70 million, while exports were recorded at US$9 million; US$10 million and US$9.98 million, respectively. The Performance and Celebration domain experienced a significant decline in cultural imports between 2022 to 2024. A similar trend is evident with the Audio-visual and Interactive Media and Design and Creative Services. The Performance and Celebration domain reported a contraction in cultural exports of approximately US$0.91 million in 2022; US$0.52 million in 2023 and US$0.62 million, with cultural imports in this domain reflecting similar patterns.

4.2. South Africa's cultural goods trade by region, with a focus on USMCA and SADC

Table 4 below presents the key origin and destination markets for South Africa's cultural goods trade from a regional perspective for 2024.

Table 4:South Africa's cultural goods trade shares with selected regions 2024 (US$ millions and regional shares)

Region	SA exports	%Exp	SA imports	%Imp
USMCA	183,13	60,31	44,98	18,79
EU28 (including UK)	17,63	5,81	77,07	32,19
Rest of SADC	55,48	18,27	8,77	3,66
Rest of BRICS	2,47	0,81	2,80	1,17
Rest of Africa less SADC	6,70	2,21	0,48	0,20
Middle East	30,16	9,93	2,74	1,14
Latin America less Brazil	0,74	0,24	1,88	0,78
East Asia less China	7,20	2,37	23,09	9,64
Rest of the World	0,14	0,05	77,63	32,42
World Total	**303,66**	**100**	**239,43**	**100**

Source: TradeMap Data, 2024.

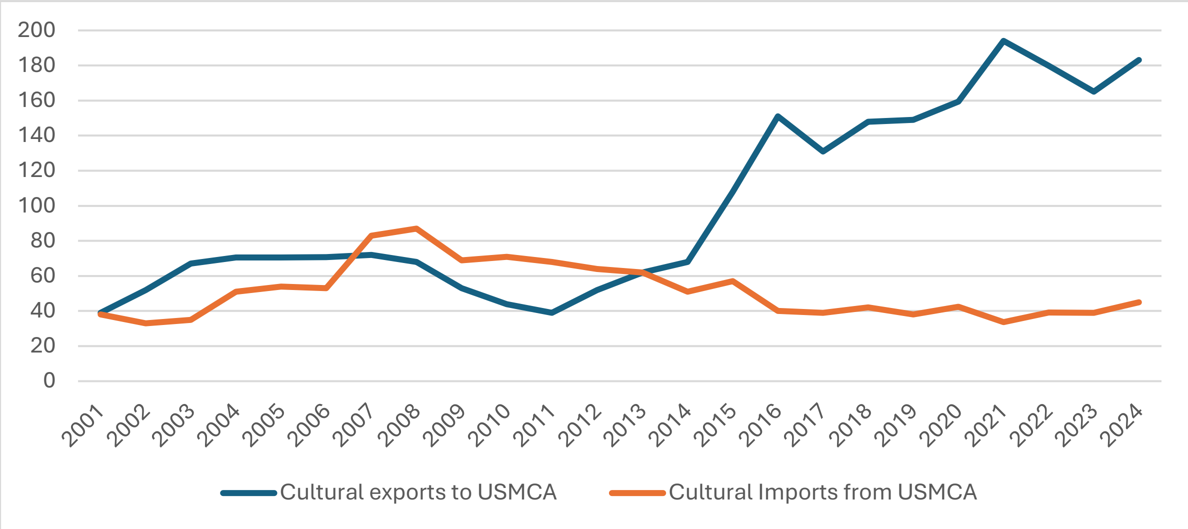
As shown in the table, USMCA, the Rest of SADC and the Middle East were South Africa's most significant regional trading partners for cultural goods exports in 2024. The leading partners for cultural goods imports were the USMCA, EU28 (including UK), and East Asia excluding China. In 2024, the SADC countries as a bloc generally rank ahead of BRICS as a regional export market for South Africa's cultural products. South Africa exported 60.31% of its cultural goods to the USMCA in 2024, equivalent to US$183 million. The EU28 reported a rise in the percentage share of cultural goods exports received from South Africa to about 5.81% in 2024.The SADC region and the Rest of Africa accounted for 18.27% and 2.21% in 2024 respectively, yielding a combined share of 20.48% of total cultural goods exports. In contrast, the BRICS market ranked amongst the lowest export destinations, with a share of 0.81%.

On the import side, the table indicates that the Rest of the World accounted for about 32.42% (approximately US$78million) of South Africa's cultural goods imports in 2024. This was followed by the EU28 (including UK) with an import share of 32.19% (US$77 million). The USMCA bloc (mainly the US) reported about 18.79% (US$45 million) of cultural goods imports in 2024, while the rest of East Asia (excluding China) followed with a share of 9.64%. The SADC region accounted for approximately 3.66% of South Africa's cultural goods imports, while the Rest of Africa (excluding SADC) contributed about 0.20%. Furthermore, in 2024, South Africa recorded a cultural goods trade surplus of approximately US$138 million with the USMCA. Exports of cultural goods to the Middle East were valued at approximately US$30 million, indicating untapped potential for expanding cultural goods exports to this region, n line with the recommendations of South Africa's Trade Policy and Strategy Framework Update (the dti, 2012).

Figures 4 and 5 below illustrate South Africa's goods trade with the USMCA and SADC from 2001 to 2024. The results show that over the years, the USMCA has become one of South Africa's leading trading partner. A significant increase in cultural exports to this region is evident in 2011 (US$39 million), resulting in a trade surplus by 2013 (US$62 million). The upward trend in cultural goods exports continued, expanding the trade surplus from US$68 million in 2014 to US$151 million in 2016. By 2020, the cultural trade surplus had risen to US$159 million. Furthermore, exports maintained an upward trend, with cultural exports to USMCA reaching approximately US$194 million in 2021. However, a downward trend was observed in 2023, when exports declined to approximately US$165 million. Cultural exports recovered in 2024, recording a steady increase to about US$183 million.

On the other hand, the cultural goods imports from the USMCA region exhibited a downward trend during the period examined. This region ranked third as South Africa's source of imports in 2024. The period preceding the global financial crisis of 2008 indicates a steady upward trend in cultural goods imports until a sharp decline in 2009. The downward trend persisted from 2009 to 2015, with imports declining from approximately US$69 million to US$57 million. This trend is attributed to the slowdown in economic growth, from an average of 3.5% to 4% during 2000 - 2008 to about 2.25% – 2.5% between 2010 and 2014 (IMF, 2014). In addition, figure 4 shows that between 2021 to 2022, imports from USMCA reflected a modest upward trend, increasing from US$33 million to US$39 million. In 2024, cultural imports increased further to approximately US$44 million, indicating a gradual recovery.

Figure 4: South Africa's cultural goods trade with USMCA 2001–2024 (US$ millions)

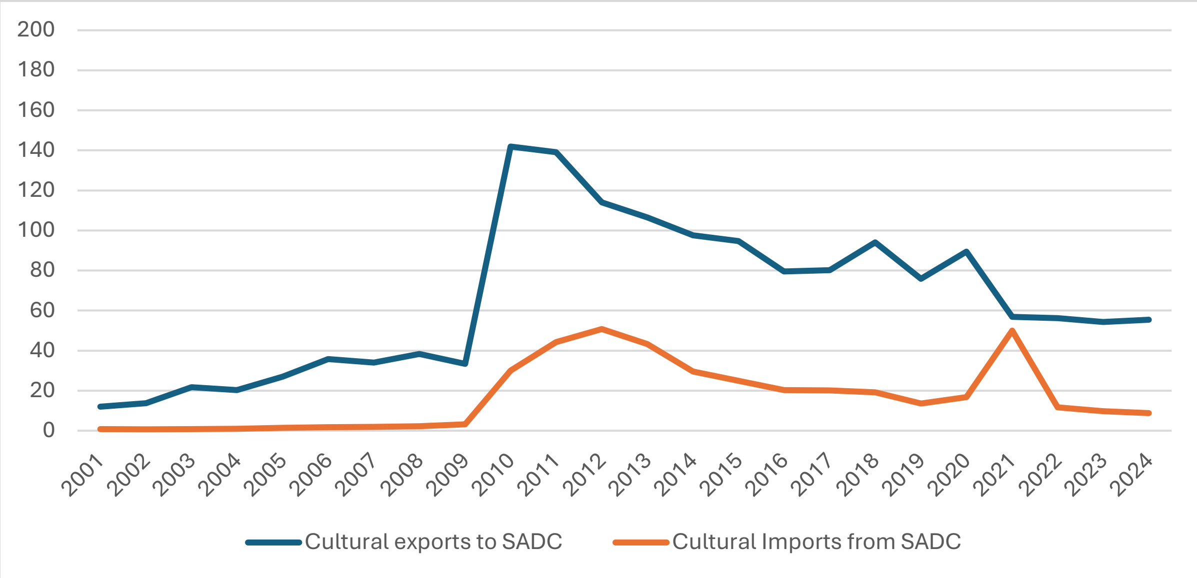


Source: SACO, Authors' computations based on TradeMap Data 2001-2024

When examining South Africa's cultural goods trade with SADC, Figure 5 indicates a persistent trade surplus over the period 2001 to 2024. In 2010, the surplus rose significantly to approximately US$41 million, compared to about US$33 million in 2009. This trend reflects the country's economic recovery from the 2008/09 global financial crisis. In addition, the 2010 FIFA World Cup stimulated economic growth, which positively influenced the trade balance. However, following this peak, South Africa's cultural goods exports to SADC began to decline, before increasing again between 2016 (US$79 million) and 2018 (US$94 million) and once more in 2020 (US$89 million) during the COVID-19 pandemic. The downward trend continued beyond 2021 through to 2024, with cultural exports to SADC slightly declining from approximately US$56 million to US$55 million.

In the case of cultural goods imports, the period before and during the global financial crisis saw relatively low cultural imports from the SADC region, below US$10 million. A significant increase occurred in 2010 to approximately US$30 million, peaking in 2012 at around US$50 million, before declining between 2013 and 2020 (from approximately US$43 million to US$16 million, respectively). A sharp increase in 2021 to US$49 million indicates a notable recovery following the COVID-19 pandemic. However, this was followed by a steep decline in 2022 to about US$11 million, and the downward trend persisted, with imports recorded at approximately US$8 million in 2024.

Figure 5: South Africa's cultural goods trade with SADC 2001–2024 (US$ millions)



Source: SACO, Authors' computations based on TradeMap Data 2001-2024

The two figures above indicate a significant trade relationship between South Africa and key partners such as the USMCA and SADC in the exchange of cultural goods. Table 5 below further provides illustrates this relationship, presenting the total bilateral trade with each trading partner from 2021 to 2024. As shown in the table, total commodity exports to USMCA increased from 1.32% in 2021 to 1.77% in 2023, maintaining an upward trend with a further rise to 2.04%in 2024. The opposite trend is evident for SADC, where the share of total commodity exports declined slightly from 0.24% in 2021 to 0.21% for both 2023 and 2024. This is difference can be attributed to the varying pace of digitisation and access to AI tools across these regions (SACO,2024). Though Africa is progressively catching up with the rest of the world in terms of digital transformation, its pace remains constraint by the skills shortages and lack of adequate infrastructure (Salani & Tapfuma, 2025).

When comparing commodity imports from USMCA between 2021 and 2022, a moderate increase is observed with the share of cultural imports rising slightly from 0.42% and 0.43%. However, this was followed by a decline to 0.38% in 2023 before recovering to 0.55% in 2024. By contrast, cultural imports from SADC declined sharply from 0.24% in 2021 to 0.13% in 2024. The shares in the table also indicate that, for South Africa's cultural trade with USMCA, cultural goods exports constitute a larger share than cultural goods imports, underscoring South Africa's relatively stringer positioning in this partnership.

Table 5: South Africa's cultural goods trade with USMCA and SADC: percentage shares in total bilateral trade

	USMCA				SADC			
Shares in total bilateral trade (%)	**2021**	**2022**	**2023**	**2024**	**2021**	**2022**	**2023**	**2024**
Cultural goods export share	1,32%	1,53%	1,77%	2,04%	0,24%	0,21%	0,21%	0,21%
Cultural goods import share	0,42%	0,43%	0,38%	0,55%	0,24%	0,18%	0,16%	0,13%

Source: Trade Map 2021–2024

Table 6 below presents South Africa's trade with each regional bloc by domain for the period 2020 to 2024. The cultural exports, imports and trade balance are given in current US$ millions. According to the table, USMCA cultural goods exports from South Africa were dominated by the Visual Arts and Crafts domain, followed by Cultural and Natural Heritage in 2020. Meanwhile, cultural exports to USMCA from the Performance and Celebration, Books and Press as well as Sports and Recreation domains were relatively low over the same period. An insignificant trend is observed for cultural goods exports in the Audio-visual and Interactive Media and Design and Creative Services. It is possible that the insignificant trend may reflect poor trade data collection for the Audio-visual and Interactive Media domain. In 2021, a recovery became evident in South Africa's total cultural exports to USMCA, with a rise from approximately US$140 million in 2020 to around US$194 million in 2021. Visual Arts and Crafts exports to USMCA increased, as did exports in Books and Press and Cultural and Natural Heritage. This was partly due to the rapid adoption of technological advancements and accessibility of AI (SACO,2024). from 2022 to 2024, cultural exports to USMCA were significantly dominated by the Visual Arts and Crafts domain.

On the import side, cultural goods imports from the USMCA fell across all domains, but the decrease was most significant for Cultural and Natural Heritage. The cultural trade deficit in this domain remained relatively small, averaging below 1% throughout the period. The table shows that between 2020 and 2024, most cultural imports were concentrated in Books and Press, followed by Sports and Recreation. In the case of SADC, cultural goods exports in 2020 were dominated by Books and Press, followed by Visual Arts and Crafts and Sports and Recreation. Although cultural goods imports were much lower overall compared to exports, the largest import domains were also Books and Press and Visual Arts and Crafts during the same period. South Africa's cultural trade balance was negative in most domains between 2020 and 2024, except for a Cultural and Natural Heritage and Visual Arts and Craft, which consistently recorded surpluses.

Furthermore, South Africa's cultural goods exports to SADC rose in 2020. The table indicates that cultural goods exports to SADC grew mainly in Books and Press followed by Visual Arts and Crafts and Sports and Recreation. According to Salani and Tapfuma (2025), this growth reflects the increased adoption of technology and AI in the production and consumption of publications, particularly within the Books and Press domain. However, the Cultural and Natural Heritage exports to SADC fell slightly in 2020, as did Performance and Celebration. Although Performance and Celebration exports declined, cultural imports also dropped sharply, narrowing South Africa's deficit with SADC in this domain to virtually zero. Cultural goods imports from SADC showed growth in Books and Press, Visual Arts and Crafts as well as Sports and Recreation between 2020 and 2024. his trend suggests that South Africa's cultural trade with SADC is becoming more diversified and digitally integrated, particularly in domains that benefit from technological diffusion and cross-border creative collaboration.

Table 6: South Africa's cultural goods trade by domain with USMCA and SADC, 2020-2024 US$ Millions

Cultural trade in US$ millions	**A.**	**B. Performance and Celebration**	**C.**	**D.**	**E.**	**F.**	**G.**	
	Cultural and Natural Heritage		**Visual Arts and Crafts**	**Books and Press**	**Audio-visual and Interactive Media**	**Design and Creative Services**	**Sports and Recreation**	**Total cultural trade A to G**
2020								
USMCA Cultural exports	10,393	0,037	128,996	0,960	-	-	0,226	140,612
Cultural imports	0,07	0,14	5,26	13,83	-	0,00	8,93	28,23
Cultural trade balance	*10,32*	*(0,10)*	*123,74*	*(12,87)*	-	*(0,00)*	*(8,71)*	*112,38*
2021								
USMCA Cultural exports	11,14	0,00	181,73	0,74	-	0,00	0,43	194,05
Cultural imports	0,11	0,21	3,82	19,44	-	0,00	10,09	33,67
Cultural trade balance	*11,03*	*(0,21)*	*177,92*	*(18,69)*	-	*0,00*	*(9,66)*	*160,38*
2022								
USMCA Cultural exports	11,93	0,03	166,67	1,08	-	-	0,19	179,90
Cultural imports	0,16	0,23	1,78	19,18	-	0,00	17,77	39,11
Cultural trade balance	*11,77*	*(0,21)*	*164,90*	*(18,10)*	-	*(0,00)*	*(17,57)*	*140,80*
2023								
USMCA Cultural exports	*12,06*	*0,00*	*151,48*	*1,10*	-	-	*0,48*	165,12
Cultural imports	*0,16*	*0,21*	*2,59*	*17,56*	-	*0,00*	*18,54*	39,06
Cultural trade balance	*11,90*	*(0,20)*	*148,89*	*(16,47)*	-	*(0,00)*	*(18,06)*	*126,06*
2024								

USMCA Cultural exports	*12,19*	*0,02*	*168,70*	*1,48*	*-*	*0,01*	*0,74*	183,13
Cultural imports	*0,16*	*0,36*	*1,40*	*18,64*	*-*	*0,00*	*24,43*	44,98
Cultural trade balance	*12,03*	*(0,34)*	*167,30*	*(17,16)*	*-*	*0,01*	*(23,69)*	*138,15*
2020								
SADC Cultural exports	0,05	0,29	10,63	63,09	0,00	0,01	4,82	78,89
Cultural imports	0,13	0,02	6,44	4,55	-	-	0,00	11,13
Cultural trade balance	*(0,08)*	*0,28*	*4,19*	*58,53*	*0,00*	*0,01*	*4,82*	*67,76*
2021								
SADC Cultural exports	0,06	0,27	16,63	34,09	-	0,02	5,83	56,90
Cultural imports	0,51	0,00	42,05	7,37	-	-	0,02	49,95
Cultural trade balance	*(0,44)*	*0,27*	*(25,42)*	*26,72*	*-*	*0,02*	*5,80*	*6,95*
2022								
SADC Cultural exports	0,08	0,52	10,82	38,08	-	0,08	6,67	56,25
Cultural imports	2,06	0,01	3,48	5,99	-	-	0,06	11,60
Cultural trade balance	*(1,97)*	*0,50*	*7,34*	*32,09*	*-*	*0,08*	*6,61*	*44,65*
2023								
SADC Cultural exports	0,08	0,46	9,28	41,55	0,01	0,02	6,34	57,75
Cultural imports	2,08	0,03	2,30	5,31	-	-	0,02	9,73
Cultural trade balance	*(2,00)*	*0,44*	*6,99*	*36,24*	*0,01*	*0,02*	*6,31*	*48,01*
2024								

SADC Cultural exports	0,08	0,49	9,32	42,97	0,02	0,06	6,70	59,65
Cultural imports	2,10	0,02	1,56	5,08	-	0,00	0,01	8,77
Cultural trade balance	*(2,02)*	*0,48*	*7,76*	*37,89*	*0,02*	*0,06*	*6,69*	*50,89*
2020								
World Cultural exports	16,95	0,37	181,01	73,46	0,00	0,02	7,44	279,26
Cultural imports	0,69	1,21	57,78	68,60	-	0,68	42,83	171,77
Cultural trade balance	*16,26*	*(0,84)*	*123,23*	*4,86*	*0,00*	*(0,66)*	*(35,39)*	*107,49*
2021								
World Cultural exports	17,59	0,35	247,41	40,68	-	0,03	7,87	313,94
Cultural imports	1,53	1,63	111,84	86,00	-	0,20	39,14	240,34
Cultural trade balance	*16,06*	*(1,28)*	*135,58*	*(45,32)*	*-*	*(0,17)*	*(31,26)*	*73,60*
2022								
World Cultural exports	18,25	0,91	218,33	49,68	-	0,12	8,97	296,25
Cultural imports	3,42	2,11	70,71	86,59	-	0,14	61,27	224,24
Cultural trade balance	*14,83*	*(1,21)*	*147,62*	*(36,91)*	*-*	*(0,02)*	*(52,30)*	*72,01*
2023								
World Cultural exports	18,35	0,52	199,64	49,98	0,01	0,03	9,93	278,46
Cultural imports	3,46	1,75	68,00	78,83	0,00	0,02	56,96	209,02
Cultural trade balance	*14,89*	*(1,23)*	*131,64*	*(28,84)*	*0,01*	*0,01*	*(47,04)*	*69,44*
2024								

World Cultural exports	18,44	0,62	220,67	53,77	0,02	0,16	9,98	303,66
Cultural imports	3,50	2,59	81,15	82,66	-	0,03	69,51	239,43
Cultural trade balance	*14,95*	*(1,97)*	*139,52*	*(28,88)*	*0,02*	*0,13*	*(59,53)*	*64,23*

Source: Trade Map 2020–2024

4.3. South Africa’s intra-industry trade in cultural goods with USMCA and SADC, with regional comparisons

To examine cultural trade trends within the same sub-sector or category, this analysis employs the intra-industry trade (IIT) measure, which refers to bilateral trade between two countries or regions. Furthermore, IIT is particularly relevant for assessing sectoral competitiveness and industrial upgrading. The analysis applies the trade-weighted Grubel–Lloyd Index (GLI), which accounts for the relative importance of each product within a cultural domain (Cattaneo & Snowball, 2020; UNCTAD & WTO, 2012).

Table 7 presents South Africa’s IIT and the total cultural goods trade with USMCA, SADC, and the world in US$ millions for each domain The table also provides data on South Africa’s cultural goods trade flows (exports plus imports) with its leading trading partners by domain. This IIT analysis is critical for understanding the structure and depth of South Africa’s cultural trade integration, highlighting domains where reciprocal trade is strongest and where structural imbalances persist.

Table 7: South Africa's intra-industry trade (trade-weighted Grubel-Lloyd indices) by domain and partner

Cultural trade in US$ millions	**A. Cultural and Natural Heritage**	**B. Performance and Celebration**	**C. Visual Arts and Crafts**	**D. Books and Press**	**E. Audio-visual and Interactive Media**	**F. Design and Creative Services**	**G. Sports and Recreation**	**Total cultural trade A to G**
2020								
USMCA Cultural exports	**1,36**	**41,57**	**7,84**	**12,99**	**n.a**	**-**	**4,93**	**33,44**
Cultural trade	*10,46*	*0,18*	*134,26*	*14,79*	*-*	*0,00*	*9,16*	*168,85*
2021								
USMCA Cultural exports	**1,87**	**2,79**	**4,11**	**7,37**	**n.a**	**85,71**	**8,15**	**29,57**
Cultural trade	*11,24*	*0,22*	*185,55*	*20,18*	*-*	*0,01*	*10,52*	*227,71*
2022								
USMCA Cultural exports	**2,57**	**20,85**	**2,11**	**10,66**	**n.a**	**-**	**2,15**	**35,71**
Cultural trade	*12,09*	*0,26*	*168,45*	*20,26*	*-*	*0,00*	*17,96*	*219,01*
2023								
USMCA Cultural exports	**2,57**	**1,93**	**3,36**	**11,76**	**n.a**	**-**	**5,01**	**38,26**
Cultural trade	*12,22*	*0,21*	*154,07*	*18,66*	*-*	*0,00*	*19,02*	*204,17*
2024								
USMCA Cultural exports	**2,57**	**8,02**	**1,65**	**14,73**	**n.a**	**25,00**	**5,87**	**39,44**
Cultural trade	*12,35*	*0,37*	*170,10*	*20,12*	*-*	*0,01*	*25,16*	*228,12*
2020								
SADC Cultural exports	**57,14**	**10,36**	**75,44**	**13,47**	**-**	**-**	**0,08**	**24,73**
Cultural trade	*0,18*	*0,31*	*17,06*	*67,64*	*0,00*	*0,01*	*4,82*	*90,03*
2021								

SADC Cultural exports	**22,42**	**0,73**	**56,68**	**35,56**	**n.a**	**-**	**0,82**	**93,49**
Cultural trade	*0,57*	*0,27*	*58,67*	*41,46*	*-*	*0,02*	*5,85*	*106,85*
2022								
SADC Cultural exports	**7,66**	**4,92**	**48,71**	**27,18**	**n.a**	**-**	**1,78**	**34,20**
Cultural trade	*2,14*	*0,53*	*14,31*	*44,07*	*-*	*0,08*	*6,73*	*67,85*
2023								
SADC Cultural exports	**7,66**	**10,22**	**39,69**	**22,66**	**-**	**-**	**0,69**	**28,85**
Cultural trade	*2,16*	*0,49*	*11,58*	*46,86*	*0,01*	*0,02*	*6,36*	*67,48*
2024								
SADC Cultural exports	**7,66**	**6,31**	**28,61**	**21,14**	**-**	**3,17**	**0,36**	**25,62**
Cultural trade	*2,19*	*0,51*	*10,88*	*48,05*	*0,02*	*0,06*	*6,72*	*68,42*
2020								
World Cultural exports	**7,79**	**47,19**	**48,39**	**96,58**	**-**	**6,03**	**29,61**	**76,17**
Cultural trade	*17,64*	*1,58*	*238,79*	*142,06*	*0,00*	*0,70*	*50,27*	*451,03*
2021								
World Cultural exports	**16,02**	**35,58**	**62,26**	**64,22**	**n.a**	**29,06**	**33,49**	**86,72**
Cultural trade	*19,12*	*1,98*	*359,25*	*126,68*	*-*	*0,23*	*47,01*	*554,27*
2022								
World Cultural exports	**31,53**	**60,04**	**48,93**	**72,91**	**n.a**	**91,67**	**25,53**	**86,16**
Cultural trade	*21,67*	*3,02*	*289,03*	*136,27*	*-*	*0,26*	*70,23*	*520,48*
2023								
World Cultural exports	**31,70**	**45,90**	**50,81**	**77,61**	**44,44**	**76,92**	**29,68**	**85,76**

Cultural trade	*21,80*	*2,27*	*267,64*	*128,81*	*0,01*	*0,05*	*66,89*	*487,47*
2024								
World Cultural exports	**31,87**	**38,53**	**53,77**	**78,83**	**-**	**32,43**	**25,12**	**88,17**
Cultural trade	*21,94*	*3,20*	*301,82*	*136,43*	*0,02*	*0,19*	*79,50*	*543,09*

Source: Trade Map 2020–2024

Regarding South Africa's cultural goods trade with USMCA by domain, the data shows that IIT index stood at approximately US$42 million. for the Performance and Celebration domain in 2020. The Design and Creative Services domain exhibit a sharp increase in 2021 to about US$86 million compared to no recoded value for 2020. While all other domains remained relatively low. In 2022, Performance and Celebration accounted for the largest share of cultural exports with USMCA at approximately US$21 million, compared to other domains that remained relatively low. In addition, the Books and Press domain recorded an increase to roughly US$12 million in 2023, up from about US$11 million in 2022 and approximately US$7 million in 2021. By 2024, the Design and Creative Services dominated cultural exports, accounting for US$25 million within the USMCA bloc. While relatively low in comparison to Books and Press and Performance and Celebration domains, the Sports and Recreation domain shows steady growth in cultural exports from 2020 to 2024. Specifically, exports in this domain rose from approximately US$5 million in 2020 to roughly US$6 million in 2024, reflecting a sustained upward trend in South Africa's sports related cultural trade.

The aggregate cultural trade with USMCA indicates that from 2020 to 2024, the Visual Arts and Crafts domain increased significantly from approximately US$134 million to US$170 million demonstrating that South Africa is highly competitive in this category of cultural products. This suggests that increasing cultural goods imports under the USMCA would reduce the trade surplus, accompanied by a rise in the IIT index. A measure known as the Marginal Intra-Industry (MIIT) index is commonly used to analyse IIT index changes over time (Cattaneo and Fryer, 2002), as it quantifies the proportion of new trade that is intra-industry in nature. Table 7 above indicates that in all these domains, South Africa has recorded a trade surplus with the USMCA.

Moreover, Table 7 indicates that in 2020 the IIT index between South Africa and the USMCA (at approximately US$ 33 million) was higher than that for the SADC region (at about US$ 25 million) for cultural goods trade. When examining South Africa's cultural exports to SADC in 2020, several sectors clearly dominated trade. These include Visual Arts and Crafts (recorded at approximately US$75 million), Cultural and Natural Heritage (at about US$57 million), and Books and Press (at approximately US$13 million), each outperforming their corresponding trade shares with the USMCA. A balanced cultural trade was observed between South Africa and SADC in the Visual Arts and Crafts, resulting in a relatively high IIT index compared to Books and Press. Promotion trade integration Books and Press could raise the IIT index, particularly given the wide range of cultural product categories within this domain.

Furthermore, when examining cultural export trends worldwide (including the EU, BRICS, etc.), all domains performed well, with several dominating in different years during the 2020-2024 period. For instance, in 2020, 2021, 2023, and 2024, the Books and Press domain outperformed other domains in world trade, while Design and Creative Services emerged as a leading domain in 2022. Notably, two interesting points emerge. Firstly, South Africa's relatively high IIT with SADC indicates that trade between South Africa and SADC involves more value-added manufacturing than might be expected. On the other hand, according to the dtic (2018), trade with South Africa's key BRICS partners (China and India) remains predominantly inter-industry, involving the export of lower-value-added commodities in exchange for higher-value-added manufactured goods. The second point relates to the USMCA, where the IIT index reflects a significant trade surplus in South Africa's favour (except for the Books and Press domain). Further research is essential to explore the long-term sustainability of this surplus and unpack the product categories driving these trends.

4.4. South Africa's cultural goods trade complementarity with USMCA and SADC in comparative perspective

Trade Complementarity Indices (TCIs) measure the degree of structural similarity in cultural trade between trading partners. TCIs assess the potential for trade expansion by comparing each partner's exports to the world with the other partner's imports from the world, and vice versa. South Africa's Export TCI measures the share of each sub-sector in cultural goods exports to the rest of the world, and the share of cultural goods imports from the rest of the world. Similarly, the Import TCI measures the share of each sub-sector in South Africa's cultural goods imports from the world and the share of each sub-sector in the partner's cultural goods exports to the world (Cattaneo and Snowball, 2018). The TCIs are computed at the six-digit level of the HS to compare cultural product trade shares across the various domains of the UNESCO FCS.

Sections 4.2 and 4.3 of this report examine the current trends in the structure of South Africa's cultural goods trade with the USMCA bloc and SADC in a comparative analysis. The TCI discussion in this section allows for the study of trade patterns between trading partners in the event of trade increases. The indices do not rely on current bilateral trade flows between the trading partners, but instead on each party's trade structure with the rest of the world across the various cultural product trade categories.

Table 8 below presents the results of the calculations of TCIs between South Africa and the USMCA and South Africa and SADC for 2024. For comparative purposes, we also include the EU for 2024.

Table 8: Trade Complementarity Indices (%) between South Africa and selected regions, 2024

	Partner		
	USMCA	**SADC**	**EU**
South Africa's export TCI	98,78	99,42	99,25
South Africa's import TCI	99,73	99,41	100

Source: Trade Map,2024

South Africa's Export TCI with the USMCA is 98,78%, which is nearly one percentage point below the SADC-reported 99,42%. However, the country's export TCI with the EU is even greater at 99.25%, which is almost one percentage point higher than South Africa's Export TCI with USMCA and nearly one percentage point below the export TCI with SADC. This highlights the importance of a two-way intra-industry trade between South Africa and SADC. The data in Table 9 indicate that SADC accounts for a significant share of South Africa's cultural product demand, followed by the EU and USMCA.

When we examine South Africa's export TCI for USMCA and SADC, the analysis reveals that though USMCA is slightly below the EU, its TCI for cultural exports performed relatively well in 2024. The export's TCI for SADC is marginally higher than its TCI with the EU. Nonetheless, the TCI across all regions shows that the three trading partners account for significant demand for South Africa's cultural goods and services, underscoring the great potential to expand cultural goods in these regions.

Similarly, South Africa's import TCIs are high across all three regions with the EU's TCI leading at 100%, followed by USMCA at 99.73%. A comparatively high import TCI suggests that South Africa has potential import demand for the cultural products exported by the partner country or region. The import's TCI with SADC is marginally low at 99.41%. Notably, the analysis thus far (in Tables 7 and 8 above) has revealed a trade imbalance between South Africa and its SADC partners. The TCI index suggests that SADC accounts for almost all of South Africa's cultural goods. Despite the trade imbalance being a concern, South Africa has implemented the SADC FTA, a regional agreement that ensures countries in the region enjoy duty-free access to the South African market. This guarantees greater regional integration, promotes intra-African trade and provides opportunities for growing economies within this region to expand their exports to South Africa. As noted, South Africa's Re-imagined Industrial Policy includes the creative economy as a key focus sector. As such, the analysis indicates that it is crucial to include a regional dimension to South Africa's CCI&S focus on the domestic level to harness the potential of the creative economy in other SADC countries and address regional imbalances.

4.5. South Africa's cultural services trade in the context of digitisation

The growing digitisation has increased the importance of services trade categories in the identification and measurement of cultural trade. However, the lack of data on services limits the level of disaggregation needed to measure cultural services trade adequately. This is evident in low- and middle-income countries. The data and methodology section of this report describes the services trade categories and data sources available to analyse South Africa's cultural services trade. Table 9 below presents trends in South Africa's cultural services trade categories for the period 2018 to 2024, using SARB services trade data.

Table 9: South Africa's trade in services sectors relevant for cultural services trade 2018–2024

Services trade in R millions	2018	2019	2020	2021	2022	2023	2024
Personal travel services Exp	108 646	111 248	37 873	29 763	72 305	95 842	107 235
Imp	32 382	33 643	10 192	10 772	27 400	33 288	34 400
Balance	*76 264*	*77 605*	*27 681*	*18 991*	*44 905*	*62 554*	*72 835*
Charges for the use of intellectual property Exp	2 420	2 175	2 074	2 001	3 386	3 095	4 012
Imp	20 280	19 599	19 644	21 445	23 775	30 099	30 406
Balance	*-17 860*	*-17 424*	*-17 570*	*-19 444*	*-20 389*	*-27 004*	*-26 394*
Telecomms, computer & information services Exp	8 427	9 997	11 699	12 240	15 507	24 754	27 969
Imp	30 127	36 224	42 557	47 753	57 680	72 541	76 895
Balance	*-21 700*	*-26 227*	*-30 858*	*-35 513*	*-42 173*	*-47 787*	*-48 926*
Advertising & market research services Exp	3 337	3 528	3 061	3 301	4 439	5 333	6 292
Imp	3 842	4 212	4 171	4 433	5 258	6 739	10 781
Balance	*-505*	*-684*	*-1 110*	*-1 132*	*-819*	*-1 406*	*-4 489*
Architectural, engineering & other technical services Exp	9 592	6 682	7 627	11 519	13 723	17 579	20 235
Imp	11 347	13 585	11 302	8 493	10 625	11 612	13 771
Balance	*-1 755*	*-6 903*	*-3 675*	*3 026*	*3 098*	*5 967*	*6 464*
Personal, cultural & recreational services, of which: Exp	5 331	5 722	3 460	5 715	8 213	8 319	9 338
Imp	1 274	2 239	2 038	2 144	2 585	5 054	6 315
Balance	*4 057*	*3 483*	*1 422*	*3 571*	*5 628*	*3 265*	*3 023*
Audio-visual & related services Exp	3 055	3 184	2 363	5 108	7 511	Not available	Not available
Imp	389	508	446	2 035	2 303	Not available	Not available
Balance	*2 666*	*2 676*	*1 916*	*3 073*	*5 209*	*-*	*-*
Other PCR services Exp	243	257	272	286	428	Not available	Not available
Imp	65	104	23	4,99	4,95	Not available	Not available
Balance	*178*	*152*	*249*	*281*	*423*	*-*	*-*
Total services Exp	225 187	229 706	139 658	137 082	210 780	266 763	294 944
Imp	224 691	238 369	184 594	202 750	301 792	348 096	366 830
Balance	*496*	*-8 663*	*-44 936*	*-65 668*	*-91 012*	*-81 333*	*-71 886*

Source: SARB Quarterly Bulletin, June 2025 (S-92 and S-93)

The data indicate that South Africa performed well in several service sectors. In particular, South Africa had a relatively large and growing trade surplus in Personal travel services between 2018 (approximately R 109million), 2019 (approximately R111 million) and 2024 (roughly R107million). Between 2018 and 2019, the trade surplus increased further (from approximately R76 million to about R78 million), with a relatively large share of approximately R 73 million, as Personal travel exports grew faster than imports. The effects of the COVID-19 pandemic are evident in the decline in exports of Personal Travel Services from approximately R38million in 2020 to R29 million in 2021. The imports of these services remained consistent at approximately R30 million in 2018 and 2019, with a sharp decline observed in 2020 and 2021, further reflecting the effects of the pandemic.

Furthermore, Personal travel services in South Africa's total trade balance declined from approximately R28 million in 2020 to roughly R19million in 2021. Similarly, the import share fell from about R34 million to around R11 million in 2021. Table 9 shows that the PCR services sector is the lowest performing, with the lowest record in 2022 at R428 million. Though very low compared to other industries, PCR recorded positive trade balances from 2018 through 2024. The SACOs 2022 Mapping Study highlights that two components within the PCR sector can be isolated: Audio-visual and related services and Other PCR services. The former is a "pure" core cultural services sub-sector. In Audio-visual and associated services, exports grew significantly relative to imports after 2009, and growth accelerated notably from 2014 (SACO, 2022). The growing trade surplus in Audio-visual and related services widened further between 2018 and 2020, following which a sharp increase occurred in 2021 and 2022.

Other sectors that experienced a noticeable decline between 2019 and 2020 include Architectural, engineering & other technical services (which provides for the Architectural services sub-sector). However, from 2021 to 2024, these sectors indicate a recovery reflected in the upward movement observed. Exports also increased in Telecommunications, computer and information services, which are essential for both core cultural services (the other information services component) and Equipment and supporting materials (Computer services and software licences). However, rapid import growth has widened the trade deficit, particularly in this sector. The Telecommunications, computer and information services sector is one of two sectors important for cultural services trade for which South Africa's trade deficit is most significant. The other sector is Charges for the use of intellectual property. The COVID-19 pandemic appears not to have affected the Charges for the use of the intellectual property sector, as suggested by the steady increase in imports in this sector. However, as imports rose, the trade deficit worsened in this sector.

5. Conclusion

This report examined South Africa's regional cultural trade, including trade with leading trading blocs such as the USMCA and SADC. Further, the chapter explored the impact of digital transformation on trade, particularly the adoption of AI tools and other digital platforms within the creative economy, as well as the lingering effects of the COVID-19 pandemic. The chapter forms part of the 2025 CCI&S Mapping study and focuses on defining trade in cultural goods and services in accordance with the 2009 UNESCO Framework for Cultural Statistics (FCS).

The results assessed South Africa's exports, imports, and trade balance, the COVID-19 pandemic's aftereffects on the creative economy and the role of technology and the adoption of AI tools in the industry. The analysis also examined South Africa's cultural goods trade from a regional perspective. Accordingly, the study included South Africa's cultural goods trade with the USMCA and SADC blocs, given their importance as regional trading partners for the country's cultural trade.

Further, the report analysed South Africa's Intra-Industry Trade (IIT) with USMCA and SADC, in comparison to the rest of the world, and the Trade Complementarity Indices (TCI) for cultural goods trade between South Africa and the USMCA bloc on the one hand, and South Africa and the rest of SADC on the other, in comparison with the EU. Lastly, the analysis focused on South Africa's cultural services trade in the context of digitisation and AI-driven transformation.

The main findings of the report are as follows:

- In 2024, global export growth slowed primarily due to significant contractions in cultural exports from regions such as Africa, North America, and Asia, while other regions recorded modest increases. When cultural exports are analysed and compared across domains, such as Books and Press, a surge is observed. At the same time, a significant decline is evident in the Cultural and Natural Heritage domain in the regions assessed.

- Cultural exports of creative services show an increasing trend in the total share of exports from developing economies compared to those from developed countries during 2023 to 2024, even though the annual growth rate declined. Interestingly, while developed economies show a decline in the total share of cultural exports, their annual growth rates have shown gradual improvement, indicating recovery momentum.

- Between 2020 and 2023, South Africa’s cultural goods trade contracted sharply due to the COVID-19 pandemic, which disrupted production, distribution, and global demand. Cultural exports declined more sharply and for a more extended period than total commodity trade, reflecting the sector’s greater vulnerability to mobility restrictions and the delayed resumption of cultural activities. Imports also fell steeply, underscoring reduced foreign supply and weaker domestic consumption during the crisis. By contrast, 2024 marked the beginning of a recovery, with both cultural exports and imports registering positive growth and a continued trade surplus of approximately US$64 million. The rebound, although slower than that of other commodities such as fuels and metals, was supported by rapid digital transformation within the creative economy. The accelerated adoption of AI-enabled tools and online distribution platforms helped sustain production, expand market reach, and enhance visibility for South African cultural goods, signalling the sector’s gradual adaptation to post-pandemic trade dynamics.

- The analysis of South Africa's cultural goods exports by region indicates that the USMCA, the Rest of SADC, and the Middle East are South Africa's most important trading partners in 2024. While USMCA, EU28, and East Asia (excluding China) were the leading trading partners with South Africa in terms of imports.

- The IIT analysis indicates that the Visual Arts and Crafts domain has dominated cultural goods trade with the USMCA. When examining cultural exports trade with the world (including the EU, BRICS, etc.), all domains performed well, with several dominating at different points in the 2020-2024 period. For instance, in 2020-2024, the Books and Press domain outperformed other domains in world trade, while the Design and Creative Services dominated world trade in 2022. Furthermore, South Africa's relatively high IIT with SADC reflects that it involves relatively more value-added manufacturing trade than might be expected. On the other hand, trade with the country's main BRICS partners (China and India) is much more inter-industry in nature, involving the export of lower value-added commodities in exchange for higher value-added manufactured goods.

- The trade complementary indices (TCIs) were analysed between South Africa and selected regions, and the results indicate that the EU, relative to the USMCA and SADC, has a significant demand for South Africa's cultural goods. Furthermore, the data suggest that South Africa's import TCIs are slightly higher than its export TCIs across the board.

- The analysis of South Africa's trade in services relevant to cultural trade indicates that there has been a steady increase in exports in several sectors since 2018, such as personal travel services. The increasing trend is evident until 2019, when a decline occurred due to the COVID-19 pandemic. The effects of the pandemic are not only apparent in exports; imports of services were also affected. Some sectors have been performing relatively low since 2018, namely the Personal, cultural and Recreational services, Architectural, engineering and other technical services. Overall, a recovery is observed in all sectors from 2021 to 2024, both in services exports and imports.

- Lastly, AI is transforming the creative value chain. The use of AI tools in creative content creation, distribution, and consumption has had a positive impact on the overall creative economy. With AI tools, creatives are better positioned to match their content with consumer preferences through audience analytics and data-driven insights. However, there is a growing concern that the use of AI threatens ethical integrity by undermining transparency, accountability, and fairness. Furthermore, AI systems require specialised skills to develop and maintain, and the shortage of trained professionals in the creative industries has resulted in digital exclusion for many creatives. To harness the positive impact of AI technologies on the international trade of creative goods and services, effective trade policies are crucial. Policies that accelerate knowledge transfer and the movement of AI-skilled creators in the creative industries should be implemented. Data governance is also essential to ensuring harmonised regulations across borders for the practical functionality of AI technology.

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