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## BRICS members are moving along on trade matters, leaving South Africa behind

- Among the original BRICS countries, South Africa seems to be the only one not moving with urgency to open new export markets. Most members, particularly India, China, and Brazil, are signing various free trade agreements. Their actions are key to setting themselves well in the changing global environment, where each country must work hard to diversify its export markets.
- As the recent issue of *The Economist* magazine points out: “India has closed three trade agreements since the middle of last year: with Britain, New Zealand and Oman.” Moreover, India may soon announce a Free Trade Agreement with the European Union. They have already agreed to significantly reduce tariffs on cars from the EU, a sign that a deal may be announced in the coming days. We also hear that India may soon start trade talks with Canada.
- As India is this busy, Brazil has also been seeing some success. As part of Mercosur, along with Argentina, Bolivia, Paraguay, and Uruguay, Brazil is now part of the EU-Mercosur trade agreement, which will offer its farmers access to the EU market. These farm products will likely pose new competition for South African exports to the EU.
- China has also not been standing still; it is in trade talks with Canada, and many more countries are engaging China to gain market access for their products.
- Clearly, the BRICS members are busy with trade talks, all with countries outside the BRICS grouping. South Africa should embark on the same path, focusing more intently on expanding exports to greater Asia and the Middle East.
- Equally, we must also seek to elevate trade matters with the BRICS grouping, aiming to secure a BRICS trade agreement. Such a closer economic tie within this group would help improve its longevity. Currently, the focus on BRICS is mainly on high-level political and geopolitical matters, which are important but not sufficient. Ultimately, the citizens of each BRICS member will ask, “What are the economic benefits of this grouping?”

- If trade matters are not elevated, it becomes difficult to answer such important questions about the economic benefits of this grouping, and even more difficult to consider its longevity, when the people of the grouping feel there is limited benefit in being part of it.
- Significantly, South Africa has long been reflecting on its export diversification strategy and has elevated the discussion following the announcement of the Liberation Day tariffs in the U.S. In the past few months, South African political leaders have visited several Asian and Middle Eastern countries, all of which are key to long-term market access for South African products.
- But what we have not done well is the technical work to ensure that political visibility translates into business activity. It is not sufficient to register our interests; we need to ensure that there is follow-up work by the technical teams at the Department of Trade, Industry and Cooperation (dtic), and the Department of International Relations and Cooperation (DIRCO), that works with business on the key matters that lead to solidifying trade deals or agreements. This also means that South Africa's dtic and DIRCO must have sufficient, well-equipped staff to ensure that such follow-ups are conducted and lead to tangible outcomes beyond the political visits.
- Also worth noting is that South Africa also needs to seriously untangle itself from the Southern African Customs Union (SACU). This grouping comprises Botswana, Eswatini, Lesotho, Namibia and South Africa.
- As a customs union, South Africa's trade agreements must be pursued alongside this grouping. But over time, it seems there is no shared urgency among the other SACU members to open export markets. This leads to distraction and slows down South Africa.
- Therefore, if South Africa is to be as effective as India, Brazil and China in opening up new export markets, we must untangle ourselves from SACU and ensure there is sufficient, well-trained staff to drive trade matters seriously beyond the political visits to the various countries. Other BRICS members are moving and are securing their place in the changing world; South Africa must not be left behind.