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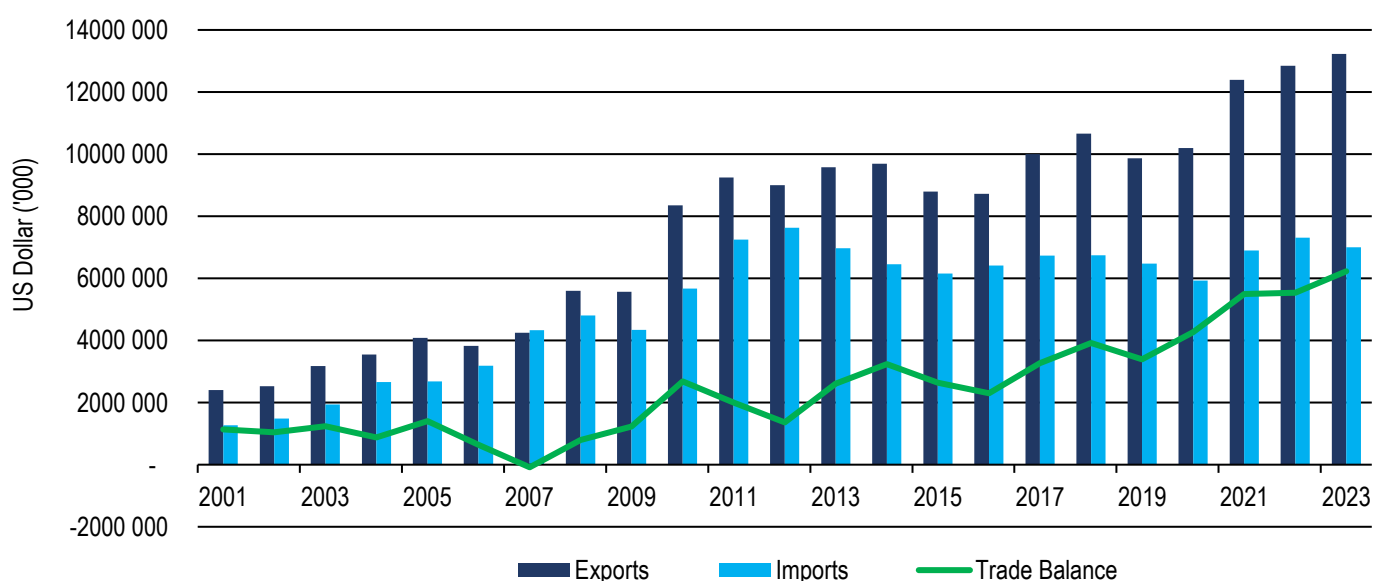
Growth through exports

- There is consensus amongst South African agribusinesses, farmers, and the government that the path to growing South Africa's agricultural sector must include a strong focus on exports. Creating an environment where the agricultural sector continues to attract investment and grows sustainably in the long run will be difficult to achieve without opening up the export markets. Thus, the government and private sector's efforts in boosting agricultural production in various regions of South Africa must be matched with the same drive to expand export markets.
- South Africa is not an insignificant player in global agriculture. The country ranked 32nd among the world's top agricultural exporters in 2023 and the only African country in the top 40, according to data from Trade Map (exports amounted to US\$13,2 billion in 2023). This was made possible by a range of trading agreements South Africa secured over the past decades, the most important being with some African, European, American, and Asian countries. The African continent and Europe now account for about two-thirds of South Africa's agricultural exports.
- With ongoing geopolitical risks, South Africa must have a renewed focus on agricultural trade through retaining the existing export markets and searching for new ones. Retaining existing export markets also means continuous engagements with our major trading partners, not only when there are challenges. The engagements can be at the government and organized business levels to ensure continuous collaboration on matters of shared interest.. Organized businesses and commodity associations can achieve this role through consistent engagements with the various embassies in Pretoria. Another intervention could be the occasional information sessions between various embassies' technical staff and the Departments of Agriculture to maintain warm relations.
- The Department of International Relations and Cooperation must support the Department of Agriculture in this effort of relationship maintenance, and perhaps as observers also in technical information sessions about commodities and agricultural conditions, amongst other things that could be discussed. This would not be a new initiative, as South Africa's Department of Agriculture has a forum with the US Embassy staff in agriculture, which is purely for sharing technical information about agricultural developments. This initiative helps to keep open lines of communication and warm relationships.
- This export drive and maintenance of relationships would be vital to provide market for the potential expansion of over two million hectares of underutilized government land that is yet to be distributed

with title deeds. The export promotion is also vital for the long-term growth of various South African farming businesses and, ultimately, job creation.

- Beyond maintaining the existing trade relations, South Africa must keep a constant eye on widening the export markets. South Africa should expand market access to some key BRICS countries, such as China, India, Egypt and Saudi Arabia. Other strategic export markets for South Africa's agricultural sector include South Korea, Japan, Vietnam, Taiwan, Mexico, the Philippines and Bangladesh.
- The significant challenges in these markets are high import tariffs and phytosanitary barriers. This means the Department of Trade, Industry and Competition must keep agriculture at the top of its agenda in its interactions with foreign governments, particularly the countries we list above. The intention should be to argue for lowering import tariffs and, therefore, involve the Department of Agriculture in addressing the phytosanitary issues for various products. South Africa's export drive is for most of the country's commodities: multiple fruits, wine, red meat, wool, abalone, grains and oilseeds, amongst other products. These products can also expand in the underutilized land and are labour intensive, specifically the fruits and wine. Vegetables should undoubtedly be on the agenda when engaging with the African government, as there is currently some trade friction.
- This message of the agricultural exports drive is also the one South Africa carries this week in Russia at the BRICS Business Council meetings and will again be a key theme later in the month at the political leaders BRICS Summit in Kazan. The core messaging of South Africa is a call for lower tariffs amongst the BRICS members and the address of the non-tariff barriers and phytosanitary issues. South Africa has a broad interest across the BRICS grouping, with a particular focus on China, India, and Saudi Arabia, the major agricultural importers. Notably, the products these countries import from the world market are similar, to an extent, to what South Africa exports to the world.

Exhibit I: South Africa's agricultural trade



Source: Trade Map and Agbiz Research