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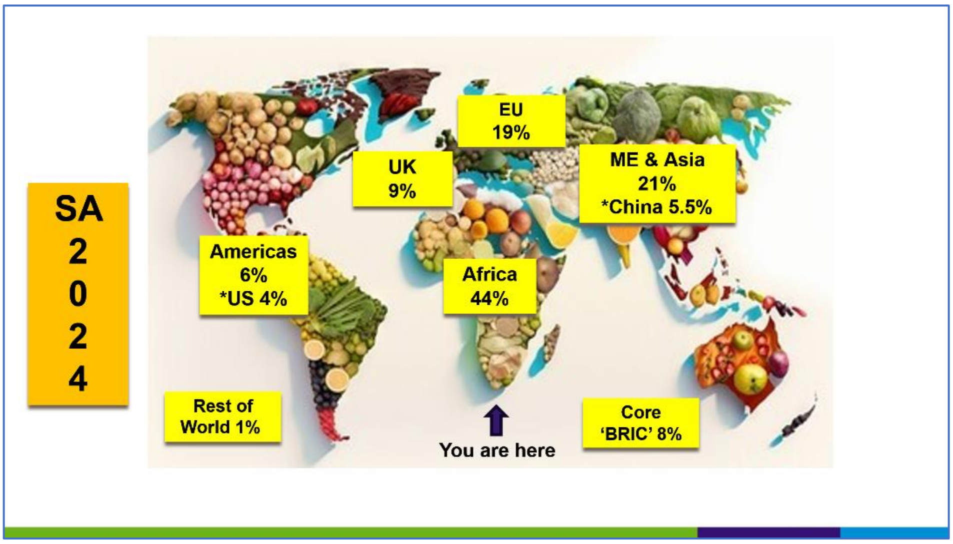
South Africa and the China-Africa Economic Partnerships for Shared Development

The recent Chinese offer of duty-free market access for all goods for African countries has triggered great interest amongst agribusiness exporters. SA exports currently comprise only around 0.4% of the massive $215 bln Chinese agricultural import total. China is currently a small component of SA agri exports (2024 data), but with great potential (see graphic below).



SA exports include fruits, wine, red meat, nuts, maize, soybeans, and wool. China is on record as saying recently that it would want to see an increase in agri imports from SA. The desire by China to further diversify its import basket is possibly a factor in this as well. At the same time, SA has been a promoter within BRICS+ policy discussions of the need for increased intra-BRICS+ agricultural trade. The visit this week by SA's Deputy President is therefore an opportunity to take these relations forward. Deputy President Mashatile will undertake a strategic working visit to the People's Republic of China from 14 to 18 July 2025 to participate in the China International Supply Chain Expo (CISCE) and officially launch the South African National Pavilion. The visit hopes to reinforce South Africa's position as a gateway to sub-Saharan Africa for trade, investment, and industrial cooperation. The Deputy President is being accompanied by the Deputy Minister of International Relations and Cooperation, Ms Thandi Moraka; the Minister of Small Business

Development, Ms Stella Ndabeni-Abrahams; Minister of Tourism, Ms Patricia de Lille; Minister of Trade, Industry and Competition, Mr Parks Tau; Minister of Water and Sanitation, Ms Pemmy Majodina; and Minister of Agriculture, Mr John Steenhuisen. During the working visit, Deputy President Mashatile is scheduled to hold a bilateral meeting with His Excellency Mr Han Zheng, Vice President of the People's Republic of China. Amongst other objectives, the trip will seek to enhance bilateral collaboration on clean technologies, digital skills development, and industrial standards.

To advance agricultural trade between the two countries, Agbiz collated and submitted to dtic a summary of relevant current market access issues such as tariffs and non-tariff barriers and areas of interest to agribusinesses focused on China, including grain, fruit, macadamias, wine, pork, and pet food exports.

Potential Duty-Free Access to China for South African Exports

From the Communiques of the Chinese Ministry of Foreign Affairs as well as analysis by Agbiz, the points below can be noted.

Background

Zero-tariff treatment for all tariff lines was already granted by China to all African Least Developed Countries (LDCs) on 1 December 2024. Now, in June 2025, China announced that it will extend this treatment to all African countries except eSwatini. eSwatini is excluded because China does have formal diplomatic relations with it, due to eSwatini's diplomatic relations with Taiwan. The announcement by senior Chinese officials coincided with a meeting of African Foreign Ministers, held to advance implementation of follow-up actions from the September 2024 Beijing Summit of the Forum on China-Africa Cooperation (FOCAC). Agbiz attended the 2024 FOCAC Forum as part of the SA business delegation.

How will this access work?

China has apparently laid out a trade arrangement, contained in a "Framework Agreement on Economic Partnership for Shared Development". It appears that these are constructed as a type of modular Economic Partnership Agreement, and are/will be negotiated with each African country. More than 20 African countries apparently already signed such agreements during the June 2025 meetings in China[1]. China notes that: "This marks a distinct contrast with the U.S. action of imposing tariff wars on all African countries."

Zero duty access is not granted immediately. The sequence to obtain zero duty access is evident in the two statements below:

- "China will sign agreements on economic partnership for shared development with African countries, deliver on the zero-tariff treatment for 100 percent tariff lines, provide more policy facilitation for the least developed countries in Africa, promote trade and investment liberalization and facilitation between the two sides, and encourage more African products to enter the Chinese market" – remarks by H.E. Wang Yim At the Opening Ceremony Of the Fourth China-Africa Economic and Trade Expo, June 12, 2025. *Underlining added.*

- "China is ready to, through negotiating and signing the agreement of China-Africa Economic Partnership for Shared Development, expand the zero-tariff treatment for 100 percent tariff lines to all 53 African countries having diplomatic relations with China, or all African

[1] Communique on List of the Outcomes of the Implementation of the Follow-up Actions of the Beijing Summit of the Forum on China-Africa Cooperation

countries except Eswatini, to welcome quality products from Africa to the Chinese market." - China-Africa Changsha Declaration on Upholding Solidarity and Cooperation of the Global South, 11 June 2025. *Underlining added.*

The tariff offer is therefore conditional. A country must first negotiate and sign a 'Framework Agreement on Economic Partnership for Shared Development' in order to be granted the zero-tariff access. What is unclear is whether the access will be unilaterally granted, i.e. along the lines of AGOA, or whether it will entail reciprocity, i.e. along the lines of the bilateral trade agreement SACU has with the EU or SADC member states, where both parties reduce their tariffs. There are indications that the proposed China Framework Agreements on Economic Partnership with SACU (and presumably other African signatories) would entail a 2nd mandatory stage of reciprocity, after 10 years. This would then create the dilemma facing SA in similar future trade agreements, whereby some sectors, e.g. agriculture, would likely stand to benefit with lower risk and others, e.g. elements of manufacturing, would likely see less benefit and higher risk.

South Africa, SACU and the 'Economic Partnership for Shared Development' agreements

In any discussions so far with China, the SA government has no doubt highlighted the SACU agreement, and the SACU requirement for joint trade negotiations by SACU members with bilateral trade partners. This means SA cannot sign a bilateral deal with China, neither can other SACU member states. This is because the SACU states operate a Common External Tariff (CET). This CET would be compromised and negated if the members struck different bilateral tariff deals with a common external trade partner. The same applies to the US negotiations – the CET must be respected, as it is the bedrock of SACU. This requirement would mean any bilateral deal would have to include and be applicable to eSwatini.

However, if the offer were unilateral and did not require SACU members to offer different tariff concessions but merely granted them access to China, then it would be possible to proceed with a differentiated deal. Currently the SA government is engaged in discussions with China to establish clarity on a way forward, the modalities of such an agreement and how any possible negotiations could unfold.

Conclusion

- The Framework Agreement offer presents a remarkable opportunity for many SA export sectors, and SA's agricultural sector is equipped to benefit considerably form any agreement. However, it is still unclear whether this is a 'Chinese AGOA', i.e. a non-reciprocal arrangement where signatories do not have to offer China access in turn to their markets. The current trip by the Deputy President may shed some light on this.
- It is unclear how the matter of excluding eSwatini vs the Common External Tariff of SACU would be resolved in the event of reciprocity.
- Any bilateral agreement would impact SA's economic sectors in significantly different ways, and this would trigger the need for a process for SA stakeholder input.
- In SACU's case (and the case of the other African countries who have not yet signed), the Chinese announcement does not therefore automatically translate into duty free access to the Chinese market. Current tariffs will therefore remain in force until any proposed negotiations are concluded.
- Even with zero tariffs, there will still be a need for the two sides to discuss some outstanding phytosanitary barriers that act as an impediment to greater SA agricultural exports to China, and negotiate and sign protocols for commodities where these do not yet exist.

By Agbiz Fruit Desk Manager Wolfe Braude