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South Africa can learn from India's eagerness to sign trade agreements

- India chairs BRICS this year. The chairship provides them with some level of influence over the year's agenda across the various workstreams of BRICS and its Business Council. Given the time we are in, trade continues to dominate the conversation. It is tempting to think that India may champion this issue. If they don't, they can at least support it if other members raise it. After all, India has been signing trade deals with various countries lately. For example, India has recently signed free trade agreements with Britain, the European Union, New Zealand, and Oman. We also understand they may soon begin trade talks with Canada. Clearly, the Indian authorities are interested in signing as many free trade agreements as possible.
- This spirit of broadening trade is also evident in South Africa, although we haven't had an encouraging track record like India's. The only encouraging point in South Africa currently is that there is broad recognition amongst policymakers and business leaders that trade matters cannot be peripheral but must be part of our growth agenda. Certain industries could benefit if South Africa signs more trade deals, which would align with our growth agenda. India, China, Saudi Arabia, Indonesia, and Vietnam remain top of mind. In fact, the broader Middle East and Asia are key to our export growth strategies. There also needs to be clarity domestically that expanding exports to these countries does not mean neglecting existing markets in the EU, the UK, the US, and Africa. They are an addition that gives businesses access to a variety of markets.
- The key constraint, as we have discussed before, is that South Africans typically say we can't negotiate trade agreements alone. We need to get the remaining Southern African Customs Union (SACU) members on board. But the reality is that we don't all have the same urgency. South Africa has far more pressing needs for export markets than, say, Botswana or Namibia. Thus, untangling South Africa from SACU constraints to negotiate export terms in its interests is key.
- What we see happening in India is inspiring. If they carry that spirit into BRICS engagements and propose a trade agreement, South Africa must be in a position to take advantage of it and not again raise the issue of the "SACU" constraints, given that it has never been more urgent to put the needs of South African businesses first. And trade must be the starting point. This is not a call for carelessness, but prioritisation and recognition of our own pressing domestic needs. The South African agricultural sector stands to benefit from a change in trade policy and prioritisation of exports. We are, after all, an export-oriented agricultural sector, and our long-term growth prospects depend, in part, on the level of success we achieve in export expansion.