

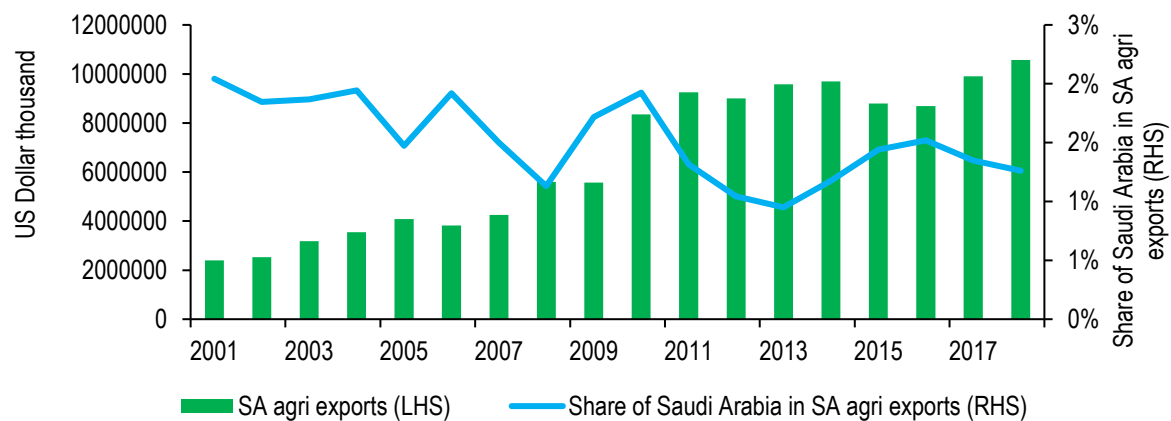
## Saudis are in town for SA agriculture

The Saudis were in town this last week, and seemingly had an interesting engagement with South Africa's Minister of Agriculture, Forestry, and Fisheries.

The main purpose of the visit was to discuss a Memorandum of Understanding (MoU) on technical cooperation in the field of agriculture, fisheries and aquaculture, and also to identify potential areas for investment (side note: The Ministry should be thankful we are not the United States, President Trump is apparently not a fan of MoU's, see [here](#)).

In terms of the MoU, South Africa and Saudi Arabia agreed that focus should be on trade, investment, capacity building, research and development in the fields of agriculture, fisheries and aquaculture.

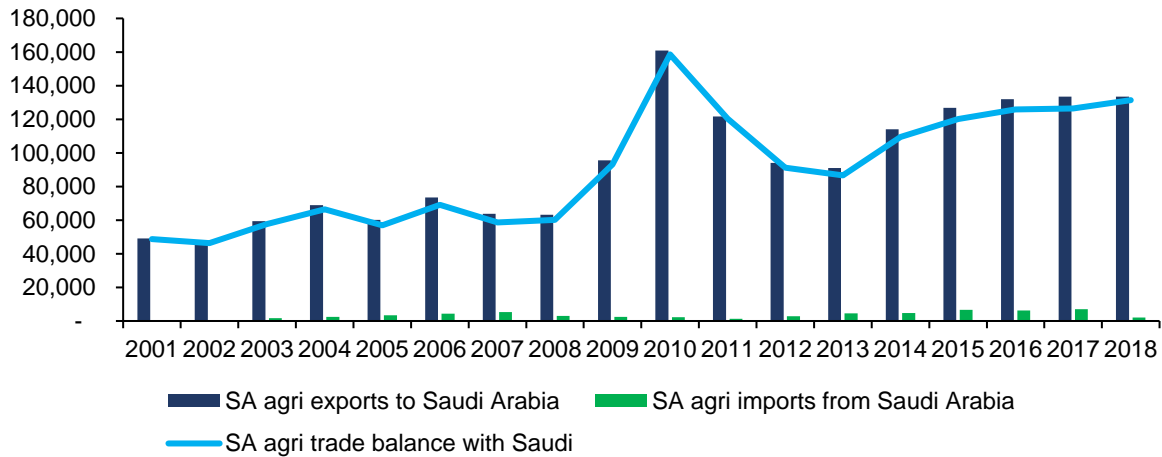
From a trade perspective, there is really not much going between South Africa and Saudi Arabia at the moment. As illustrated in Figure 1, Saudi Arabia constitutes less than 2% of South Africa's agricultural exports, although the value of exports has been increasing in the recent past. Therefore, a focus on a trade that would boost this figure is a welcome development.



At the moment, the key exportable products are oranges, lemons, pears, grapes, mandarins, apples, plums, grapes, and avocados, amongst other products.

Given that South Africa is planning to [expand the production](#) of these products in the near future, and the Saudis are already buying a bit, perhaps this visit could be a beginning of what could be an important market in the future.

Furthermore, South Africa has a positive agricultural trade balance with Saudi Arabia -- not surprising, Saudi is a desert country (see Figure 2).



Overall, my reading of this particular visit seems positive, in line with South Africa’s broad ambition of export-led growth, which agriculture is central.

But there was one important point in the [official statement](#) from South Africa’s Ministry of Agriculture, Forestry and Fisheries which noted that “*The Saudi delegation expressed a desire to lease land in South Africa to produce a wide range of agricultural commodities provided they can sign a lease of 99 years or more.*”

There were no further details offered, so I am not sure what to read into this at this point. I will offer a more structured commentary once I have sufficient information.