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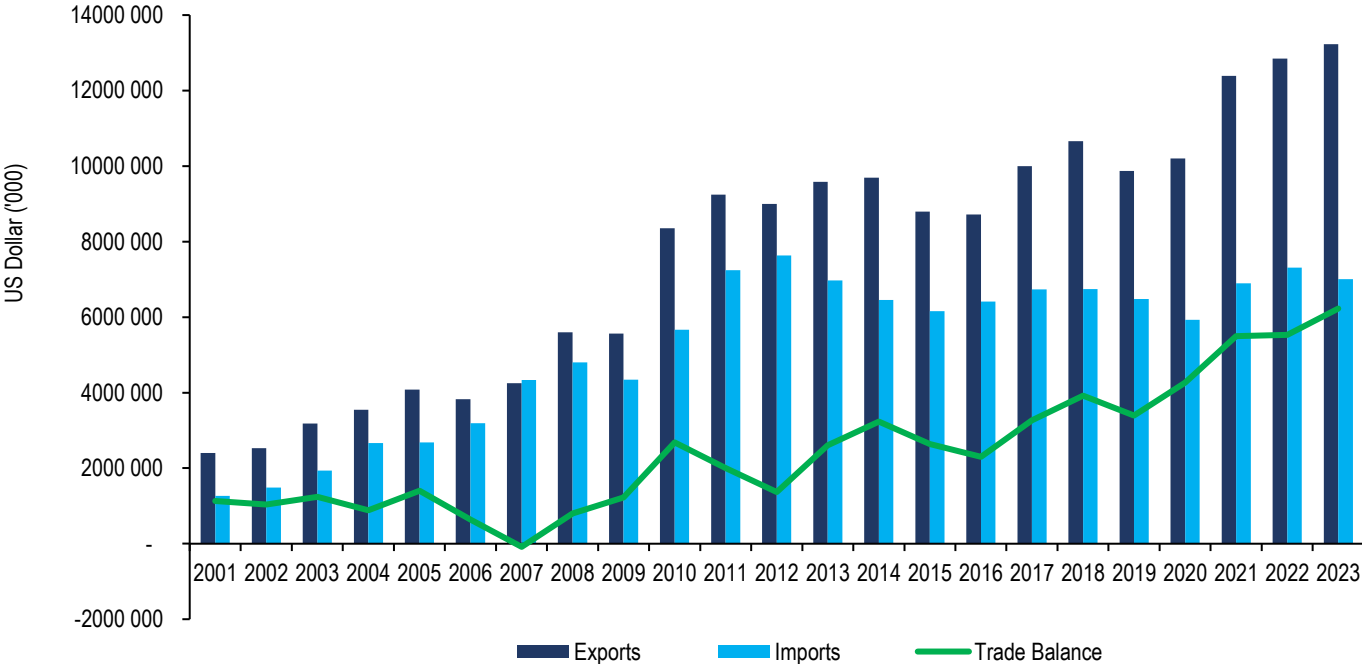
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## **SA agriculture must refresh its export strategy for this new era**

- Does South Africa's agriculture have any future in global markets in the face of deepening geopolitical frictions among major economies? It all depends on what the country's leaders do to prepare for an uncertain future. Success is not guaranteed. It is a product of the combination of a clear reading of today's trends and how these will shape the future of global markets, how they envision South Africa's place in this fast-changing global economic order, the choice of policy actions, and daring speed. What made us successful yesterday may not be adequate for the challenges ahead.
- South Africa stands at a crossroads where a bold, export-driven strategy is no longer optional but essential. As the global trade landscape shifts, with nations forging ahead through plurilateral deals and free trade agreements, the urgency for South Africa to secure its place in an uncertain global economy has never been greater. We cannot afford complacency nor expect fortune to favour us without action. Already, half of South Africa's agricultural production by value is exported — a testament to our potential. But to power ahead and secure our prosperity for the long term, we must not only protect our existing agricultural markets but aggressively seek out new opportunities in Asia, the Middle East, and beyond. An overhaul of our trade approach is vital, especially in agriculture, to stay competitive and be attuned to the evolving global economy.
- South Africa has enjoyed great fortunes in the past precisely because it worked hard to sustain the competitiveness of its agriculture and corner vital international markets. South Africa is the only African country in the top 40 global agricultural exporters, ranked 32<sup>nd</sup> in 2023. Imagine how far we could go if we were to put more effort into honing a robust global competitiveness strategy and diversify our trade relations through well-considered free trade agreements and plurilateral deals.
- Currently, the African continent accounts for 40% of South Africa's agricultural exports, with the EU making up nearly 20% and the UK making up about 7%. These impressive numbers represent the efforts we made in the past. Yet, we cannot be complacent if we want to sustain our edge. There is nothing currently that we are doing on the global front that suggests we are inventing a better future. This requires that we are bullish, deliberate, and do things differently.
- That geopolitics are driving global trade fragmentation and thus threatening the export success we have enjoyed is a cold reality we must face head-on – not with ideology but pragmatism. This is true for all the export sectors of the economy.

- For its part, the South African agricultural sector should have a refreshed trade strategy, which will guide the country's posture with various regions, especially to broaden the footprint in Asia and the Middle East. Our trade strategy should be let loose on all pillars – free trade agreements, plurilateral engagements, and multilateral trade front.
- Domestic growth strategies must be complemented by a relentless focus on widening our export markets. We cannot do the same things we have been doing in the past and expect different, better results, especially in light of the ongoing shifts in a global economy marked by geopolitical uncertainties.
- We need to immediately refresh and implement the Agriculture and Agro-processing Master Plan, which proposes plans for various commodities and interests and seeks to achieve export growth. The value add of the strategy would be core principles and guidelines that could guide engagements of the country's representatives in the various regions. This would also bring a sense of urgency and coherence to South Africa's seriousness in strengthening its export-led growth in agriculture. This is even more urgent today than in the past, particularly in the changing geopolitical environment that necessitates South Africa to engage with the world in a way that ensures the sustainability of domestic export-led industries. Agriculture is one such industry, and we push for this approach to trade. In the end, the interventions such as the "South Africa-Middle-East Agricultural Trade Strategy" that we recently argued for would be the spinoffs of this broad document.

**Exhibit I: South Africa's agricultural trade**



Source: Trade Map and Agbiz Research