

# Agriculture's role within BRICS

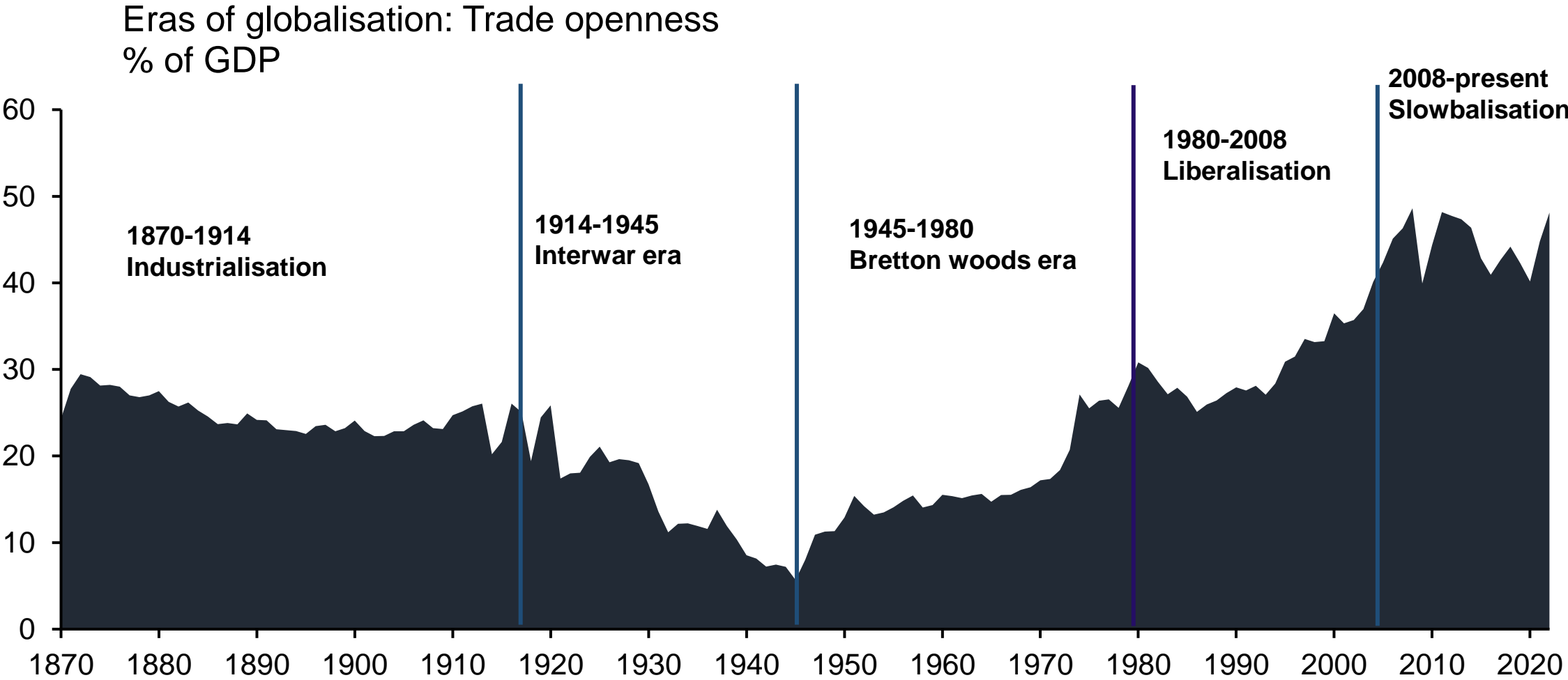
Wandile Sihlobo

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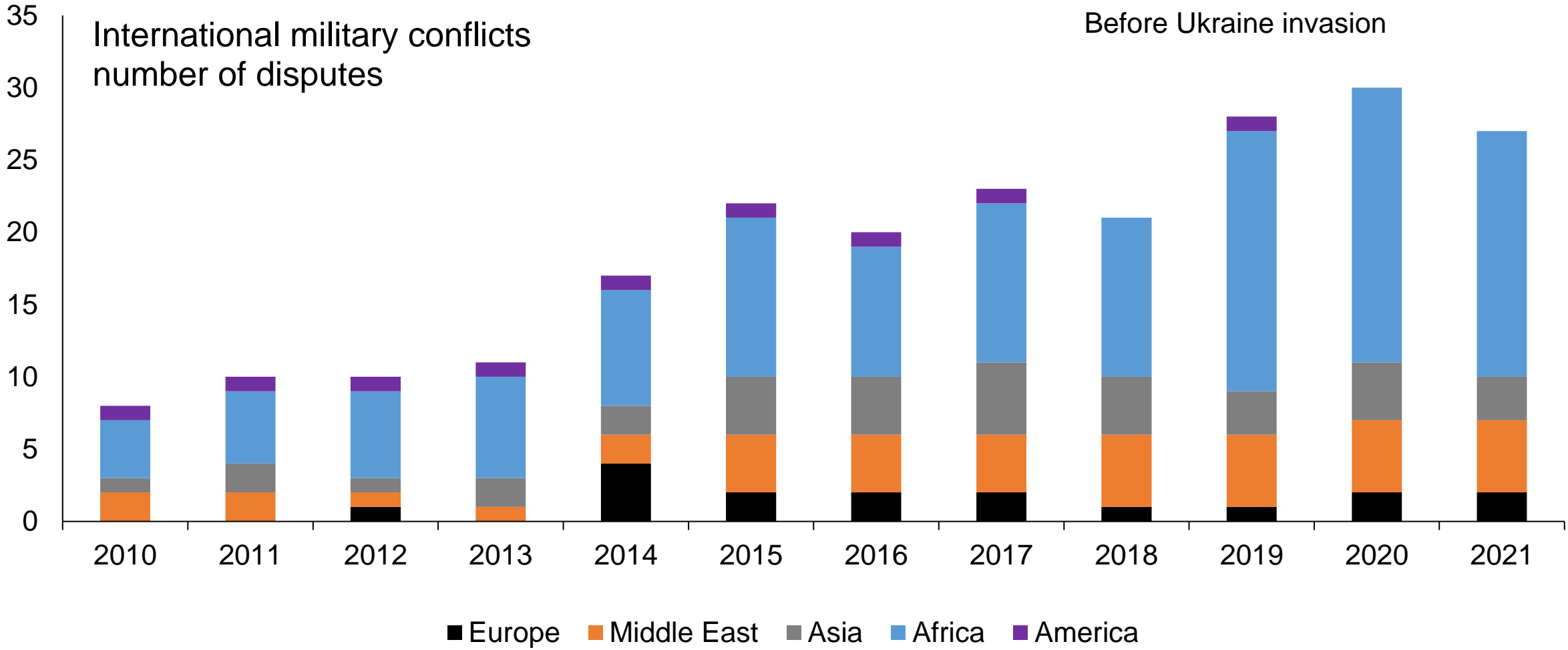
Agricultural Business Chamber of South Africa (Agbiz)



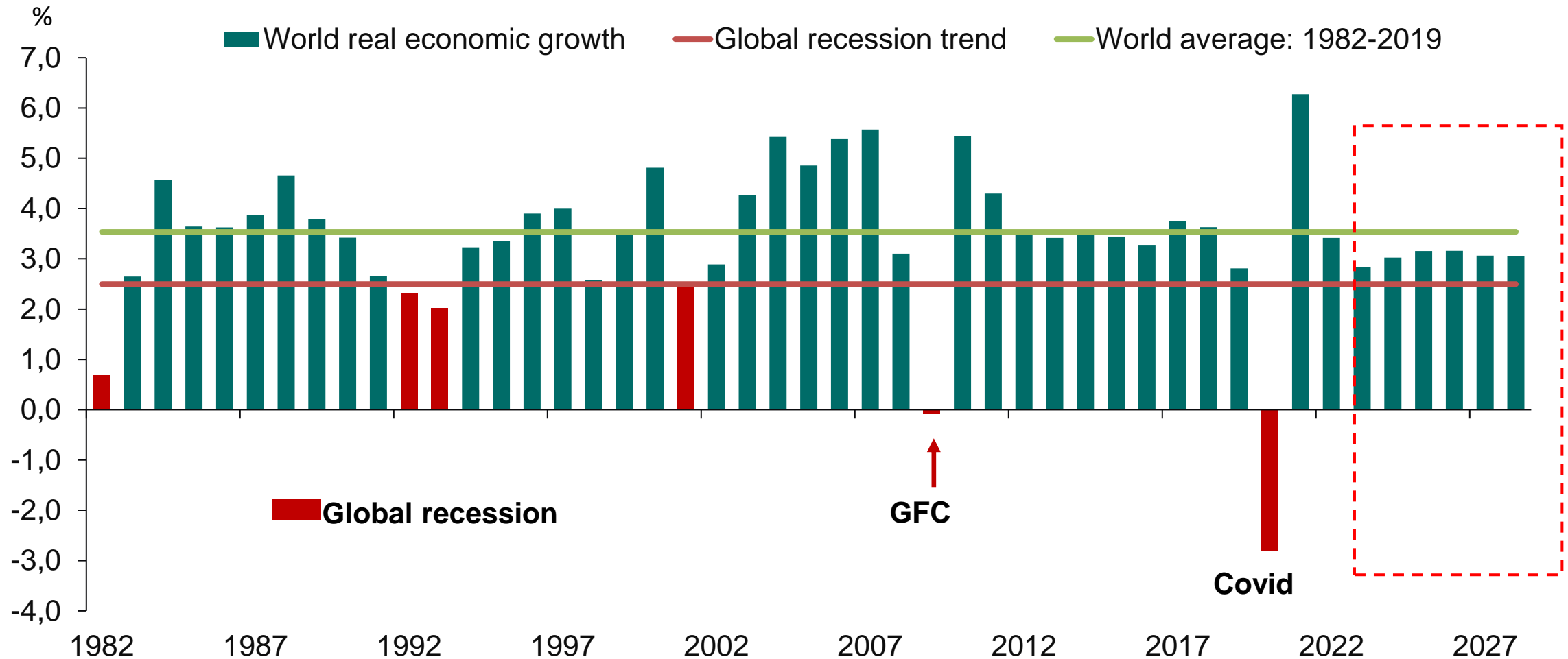
# Countries across the globe are turning inward



# Conflicts are on the rise, with implications for global trade and prosperity

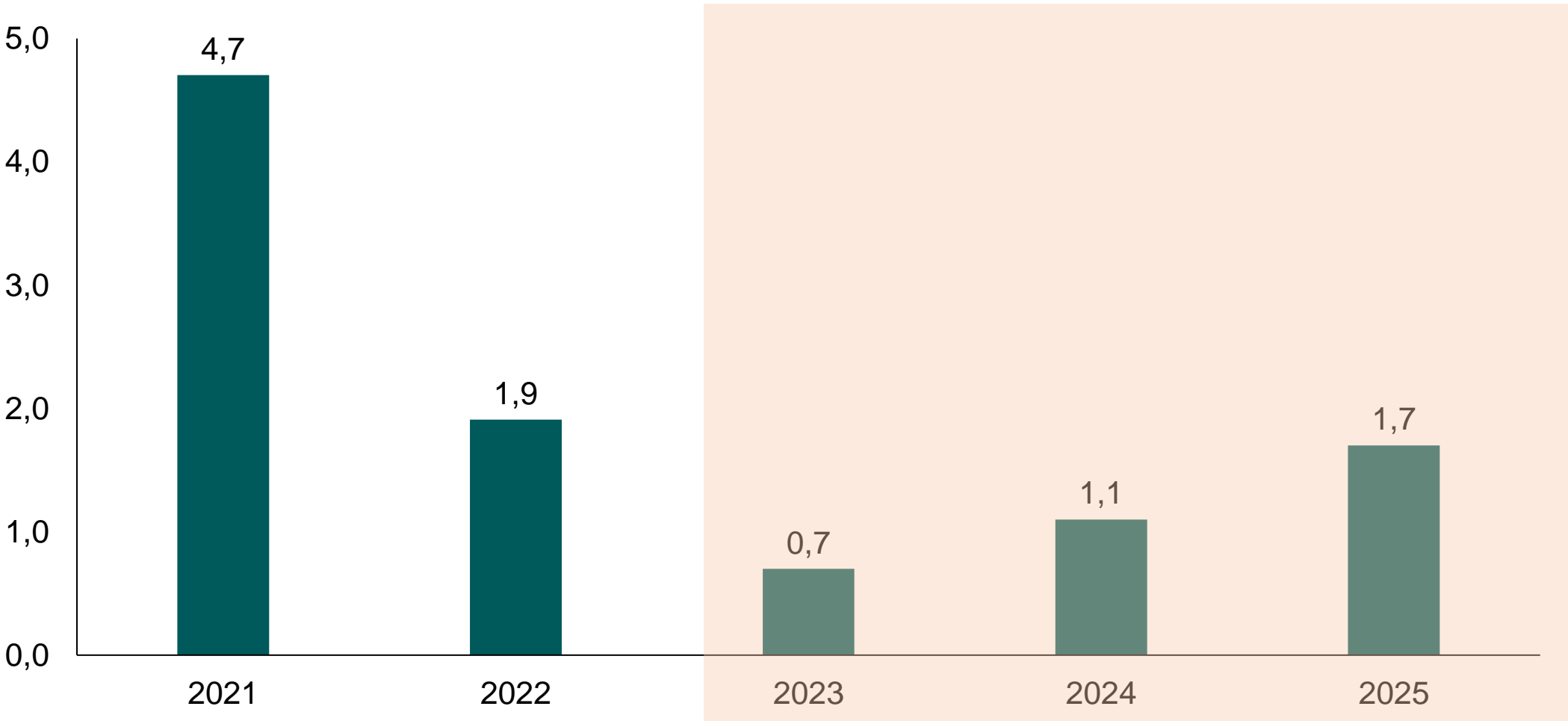


# The global economic environment remains challenging



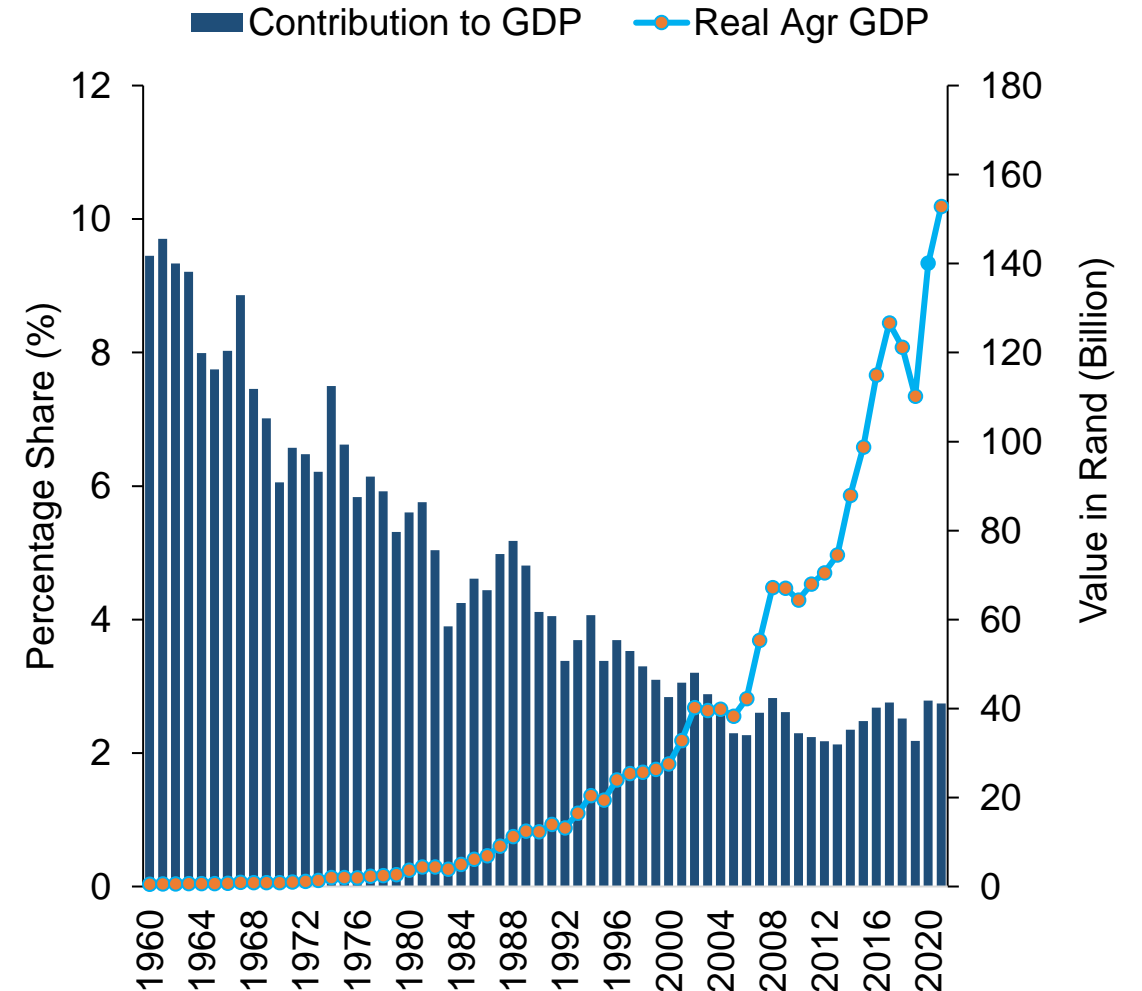
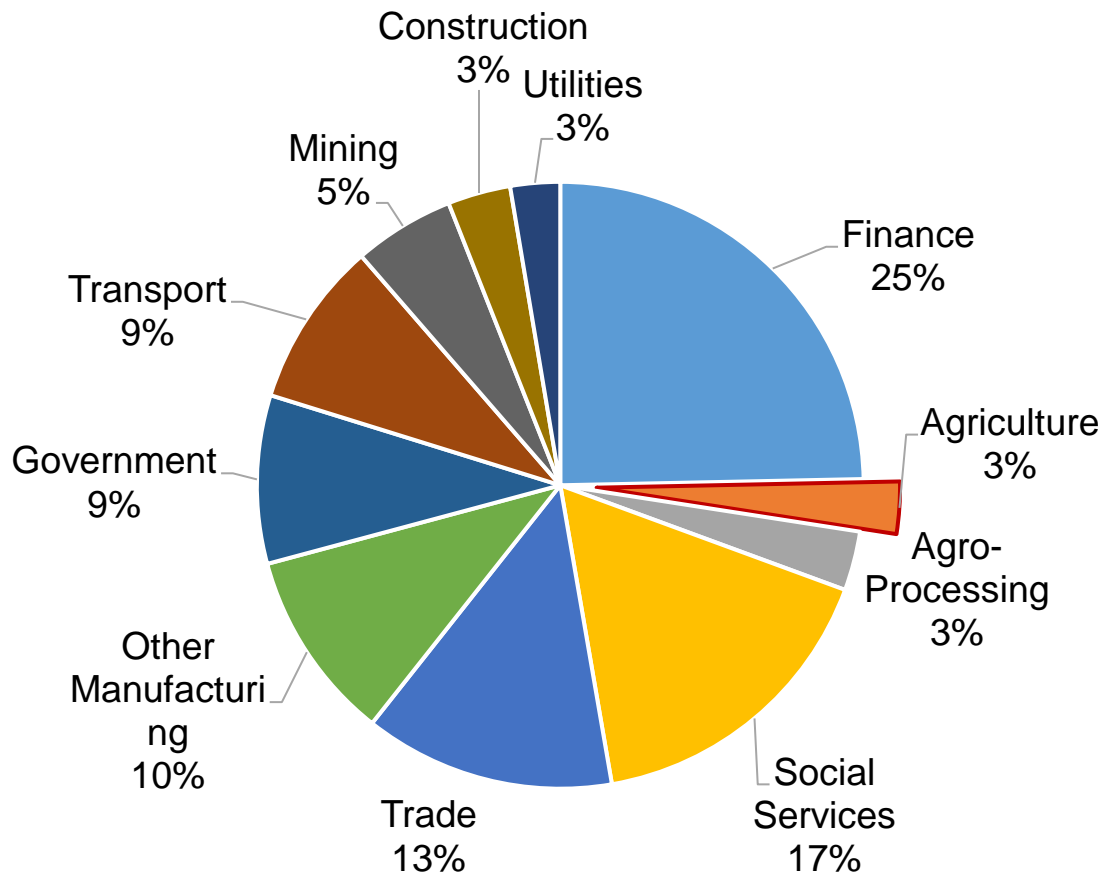
# SA's near-term growth remain on a disappointing path

GDP growth (%)



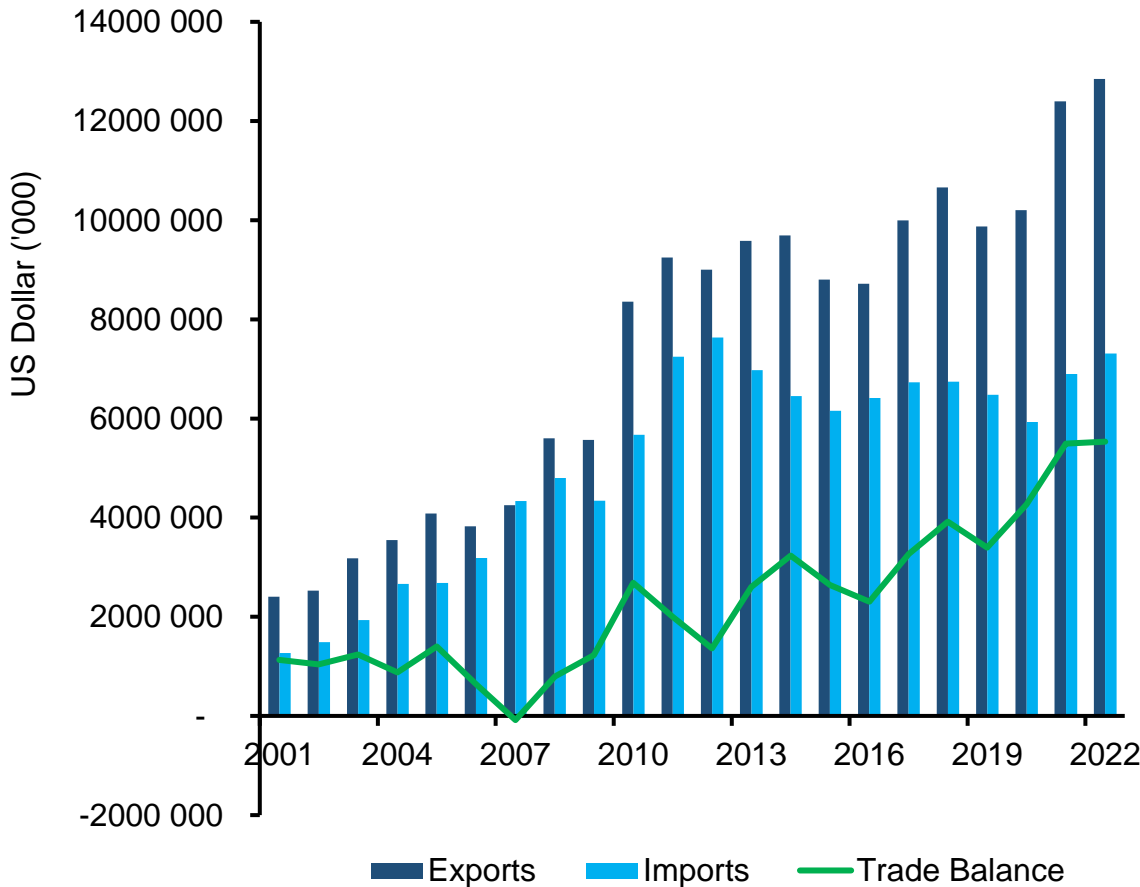
# SA agric role in the economy, with growth mainly driven by the private sector

**GDP Avg 2016-2022**

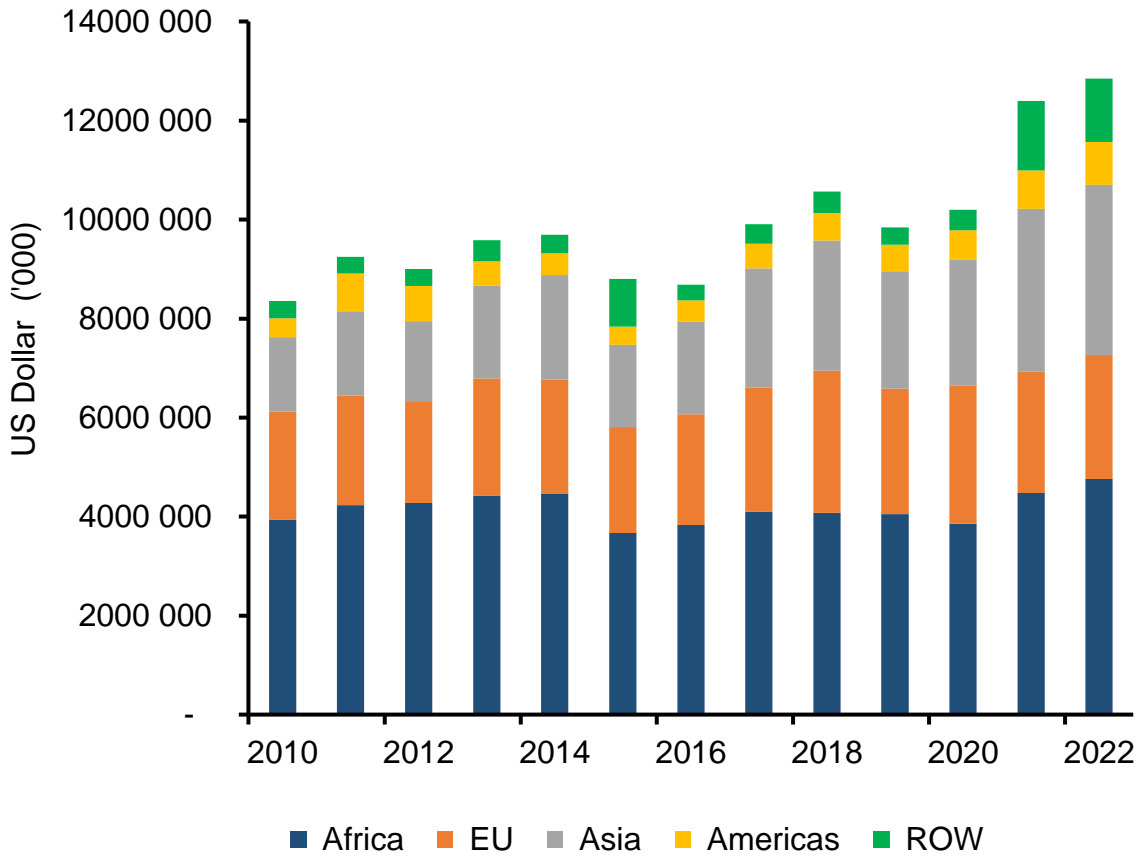


# SA's agricultural growth is export-led but rising protectionism is a new challenge

### SA agriculture trade



### SA agriculture exports by region



## BRICS agribusiness focus areas in 2023

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- **Knowledge sharing on Agri-technology** – this workstream entails knowledge sharing on new technologies that drive productivity, as well as business opportunities in this area amongst BRICS members.
- **Fertiliser** -- this theme explores ways of boosting fertilizer production and trade amongst BRICS members. This theme also aligns with African Union strategy of Agriculture, where fertiliser has been noted as key to boosting agricultural productivity and reduce poverty.
- **Agricultural Finance** -- this theme is both knowledge sharing and sharing of opportunities for businesses that seek to increase agricultural finance in Africa.
- **Trade and Investment** -- market access and barriers of entry are a primary focus amongst the BRICS members.
- **Climate Smart Agriculture** – Sharing of best practices from each country. This builds on the work started by China in 2022



## BRICS is an important agricultural market

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- While BRICS is fundamentally a multilateral cooperation mechanism, the changing geopolitical and economic landscape has increased the need for countries with close cooperation to improve trade.
- Agriculture is one of the thriving sectors of the BRICS countries. Still, this grouping also imports US\$320 billion of agricultural products from the world market in 2022. About 74% of the group's agricultural imports from China, 12% from India, 8% from Russia, 4% from Brazil and 3% from South Africa.
- The key agricultural products the BRICS grouping imports are soybeans, palm oil, beef, maize, berries, wheat, cotton, poultry, pork, poultry, apricots and peaches, sorghum, rice, and sugar. These are products that are produced at scale by some BRICS countries. Yet the imports to other BRICS members typically originate from suppliers outside the grouping.
- As BRICS matures from the political front, deepening trade is the basis for expanding the mutual benefit situation of the group's economy. It is preferable for BRICS countries to unite in trade and jointly explore regional trade arrangement to promote more competitive, dynamic, and balanced trade among BRICS countries.

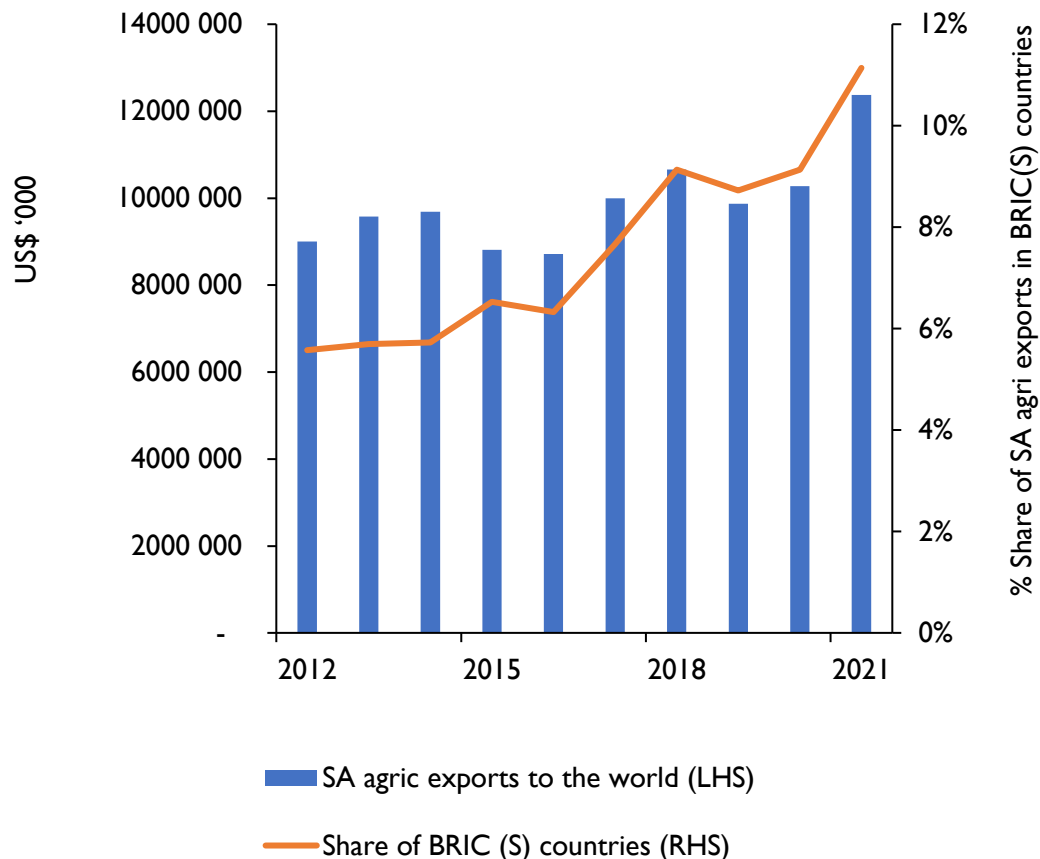
## BRICS is an important agricultural market

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- Moreover Brazil, South Africa, and Russia typically have, in surplus, a large volume of products that India and China import from the world market. Making intra-BRICS trade more competitive and reducing various barriers would help deepen trade among these countries. **Reducing import tariffs, addressing SPS issues, and various non-tariff barriers would help deepen trade amongst these countries.**
- A reciprocal trade arrangement means that China and India would also receive equivalent access to various products they produce, which South Africa, Brazil, and Russia import in large volumes.
- A united BRICS on trade has the potential to increase trade volumes from beyond just five member states. This would potentially bring trade flows into BRICS from other countries in Asia, South America, Eastern Europe, and Africa.
- **SA's preferential market access to BRICS is through SACU-MERCOSUR PTA (access to Brazil) (underway since 2016) and SACU-India PTA (negotiations on-going for access to India).** No preferential market access to China and Russia.

# SA agricultural exports to BRICS countries

## SA ag trade with BRICS



- We have an export-oriented agricultural sector that currently requires increased access to a range of export markets. BRICS is an important avenue for SA to achieve this goal.
- Currently, the **BRICS countries account for a relatively small share of South Africa's agriculture exports – an average of 8% over the past 10 years in annual average agricultural exports of US\$9,9 billion.**
- These realities imply that the South African representatives should continue to advocate for lowering import tariffs for agricultural products, specifically within India and China.
- At the same time, the business community will have to actively promote the proudly South African agriculture (and broadly food, fibre and beverages) products in this grouping of countries.

# **Additional countries to BRICS present a range of opportunities for agric trade**

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- BRICS is increasingly an important grouping with a recent resolution to add:
  - Argentine Republic,
  - the Arab Republic of Egypt,
  - the Federal Democratic Republic of Ethiopia,
  - the Islamic Republic of Iran,
  - the Kingdom of Saudi Arabia
  - and the United Arab Emirates to become full members of BRICS.
- The membership will take effect from 1 January 2024.
- The political principals have tasked the Foreign Ministers to further develop the BRICS partner country model and a list of prospective partner countries and report by the next Summit in Russia in 2025. Trade will remain a running theme in this new and expanding grouping.

# Thank you for your attention.

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