

# AGBIZ CONGRESS

## PARTNERSHIPS IN SUSTAINING AND CREATING TRADE OPPORTUNITIES

08 June 2018

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# SA trade relations with the world

## ❖ WORLD

- Limited progress at WTO MC11 except securing a deal to eliminate fisheries subsidies
- Risk to multilateral trade system– U.S. tariff on steel & aluminium >> retaliation tariffs from trading partners

## ❖ AFRICA

- CFTA signed by 44 African states – South Africa and Nigeria among few countries that did not sign (needed time for consultations and alignment to national policies)
- If CFTA implemented, could increase continental welfare by US\$ 21 billion per year
- But NTBs (infrastructure and documentation) more trade distorting than tariffs
- While CFTA is good – impact on smaller countries revenue (Benefit of tariff jumping)
- Diversify national revenue sources – Industrialization and Trade Nexus

## ❖ EUROPE

- Still a critical market for SA agricultural exports
- SADC-EU EPA - both export and import free quotas not fully utilized
- Partnership approach to address SPS & TBT measures affecting exports (e.g. citrus)

## ❖ ASIA

- Growing markets - Need for broader access and bilateral trade agreements
- Market selection strategy align to SA industrialization plan

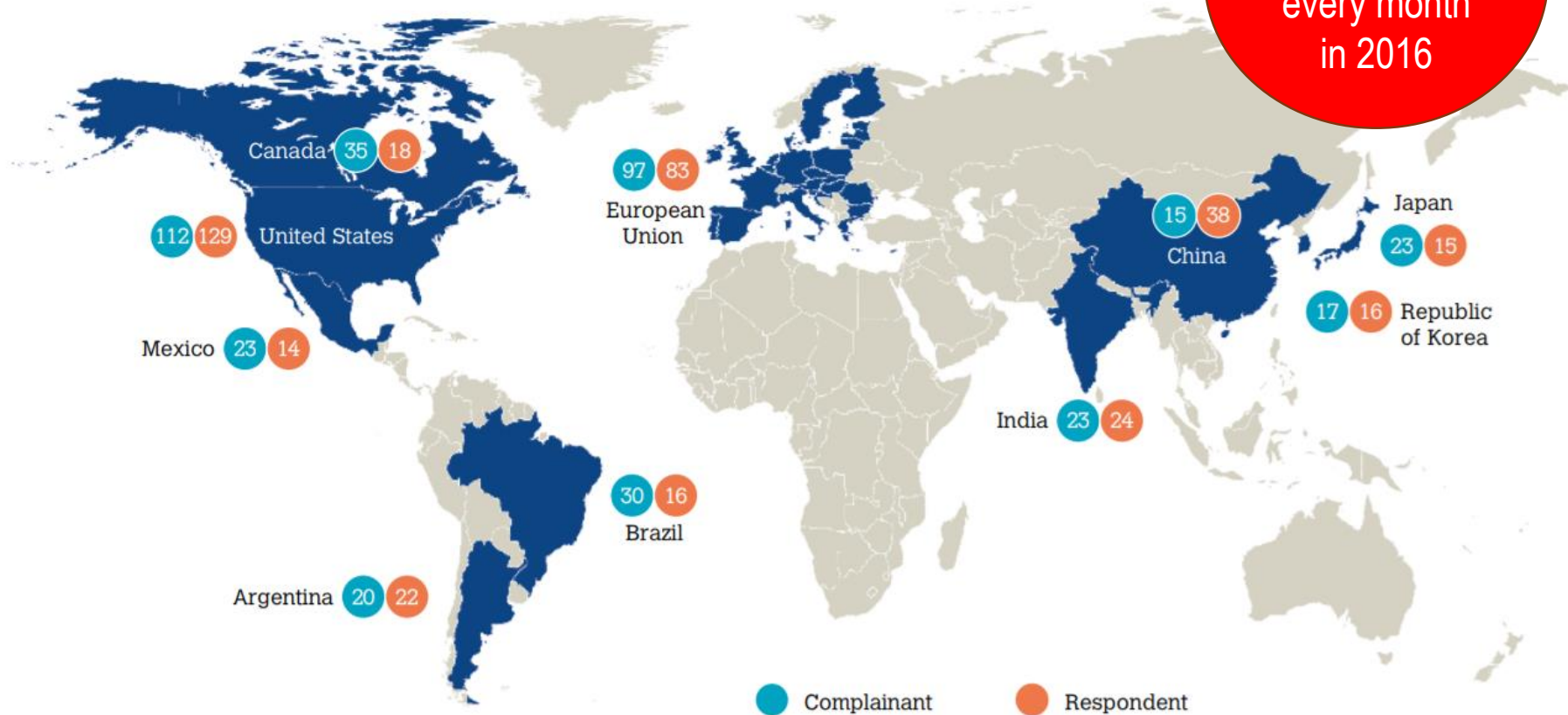
# Taking informed policy decisions at NEDLAC

- ❖ What trade relation shall SA have with the USA?
- ❖ Impact of subsidies on agriculture & the economy
- ❖ Health and environmental taxes' effects on competitiveness

# Trade restrictive disputes

WTO members most involved in disputes, 1995 to 2016

22 cases  
recorded  
every month  
in 2016

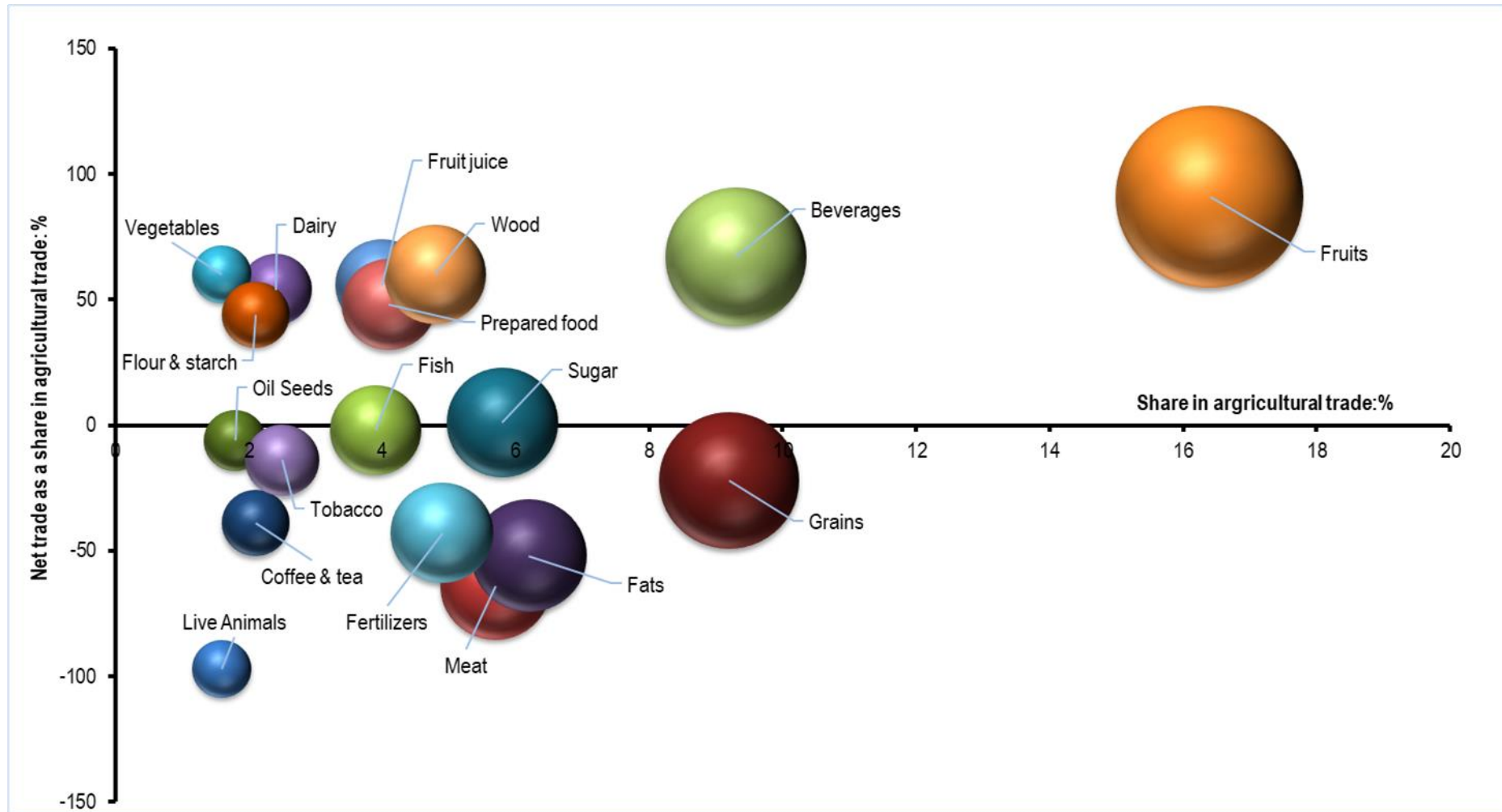


# Changing destinations for SA agric exports

Market	Postilion: 1996	Share % in SA Agric exports
UK	1	10,24
Japan	2	9,08
Belgium	3	6,64
Angola	4	6,24
Germany	5	4,87
Mozambique	6	4,76
Italy	7	3,90
USA	8	3,88
Netherlands	9	3,40
France	10	3,26
56,26% of R11.2 billion agric exports value destined to top 10 markets		

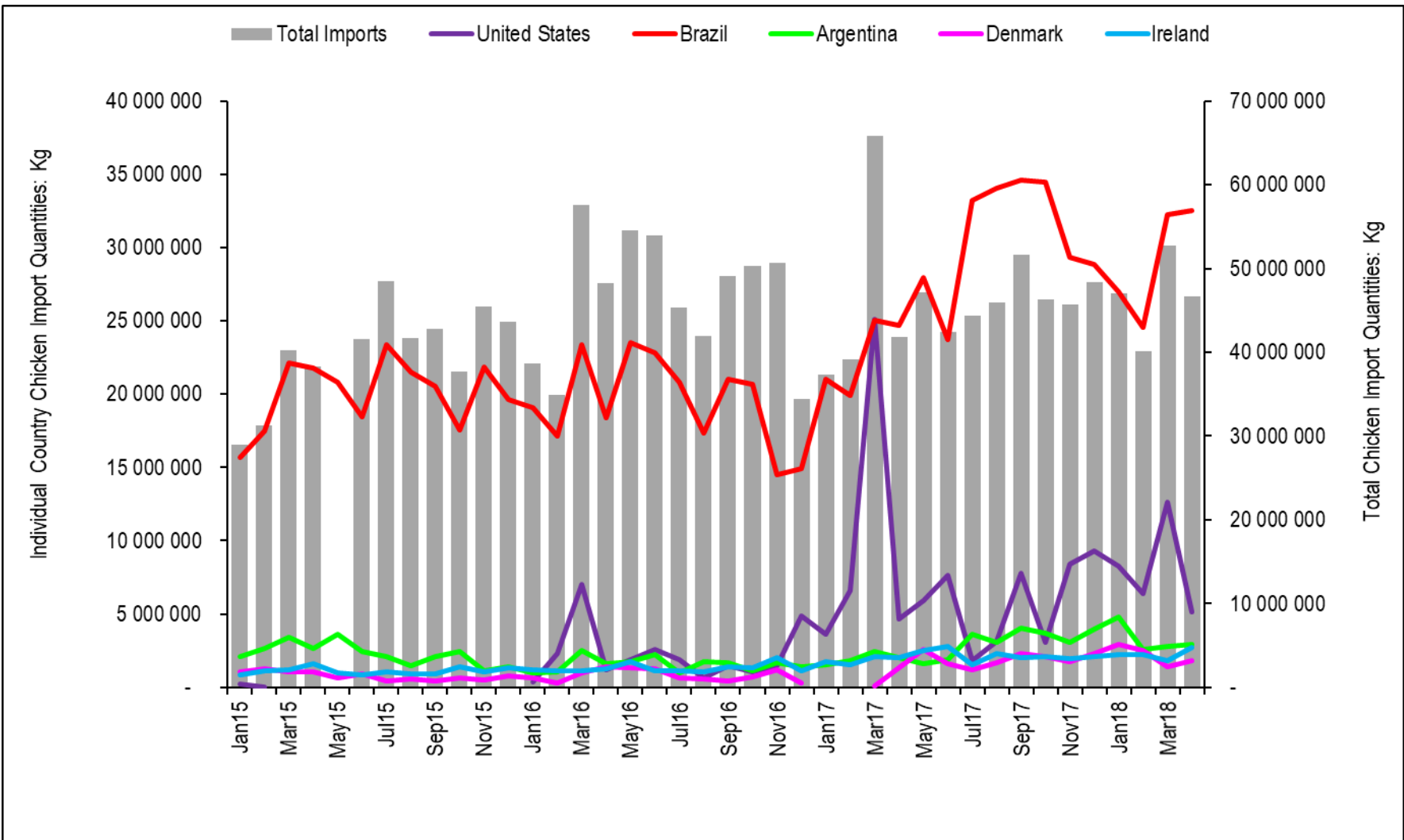
Market	Postilion: 2016	Share % in SA Agric exports
Netherlands	1	8,66
UK	2	7,58
Namibia	3	7,29
Botswana	4	6,67
Zimbabwe	5	5,31
Mozambique	6	5,10
China	7	4,53
Lesotho	8	4,18
UAE	9	3,36
Germany	10	3,08
55,47% of R128.01 billion agric exports value destined to top 10 markets		

# SA agricultural trade performance: 2010-2017



Source: Agbiz, based on WTA, 2017

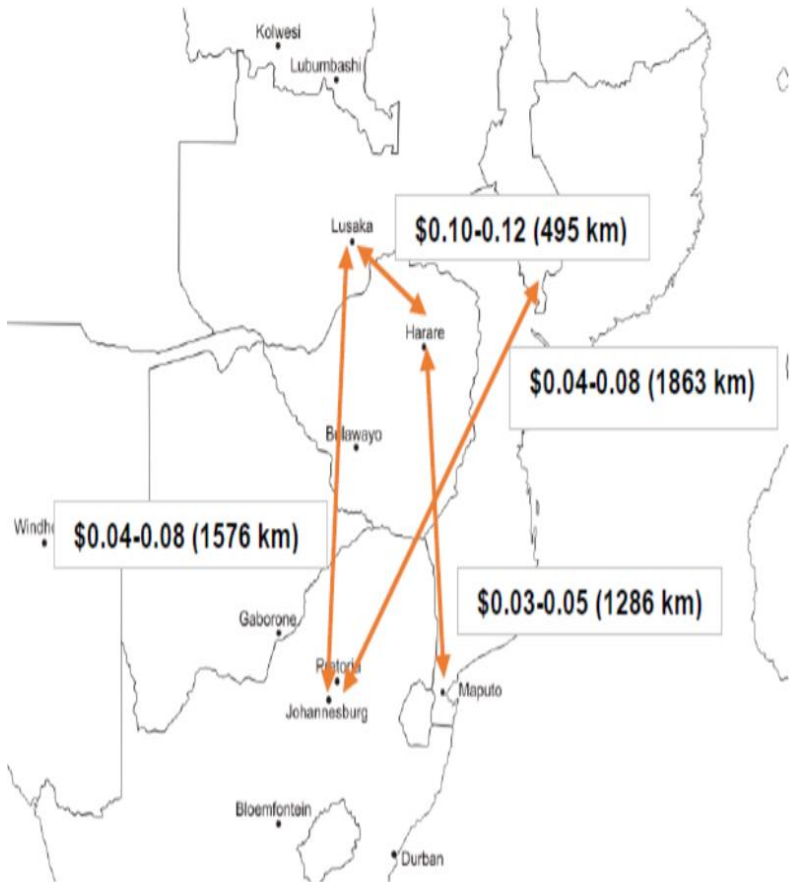
# Example: Case of poultry imports: 2015-2018



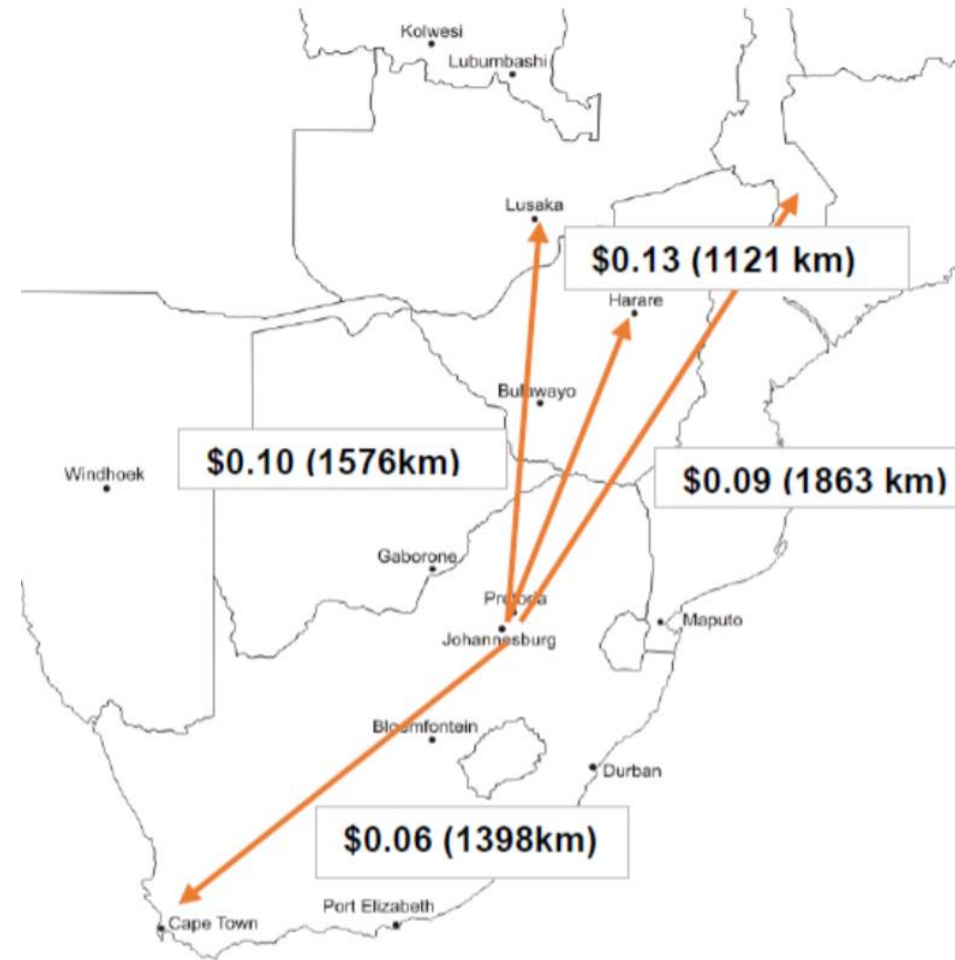
97% of monthly quantities (i.e. 42 000tons) from 5 countries in 2018

# Example: Infrastructure & transport cost in Africa

Average non-refrigerated truck rates per tkm, 2015

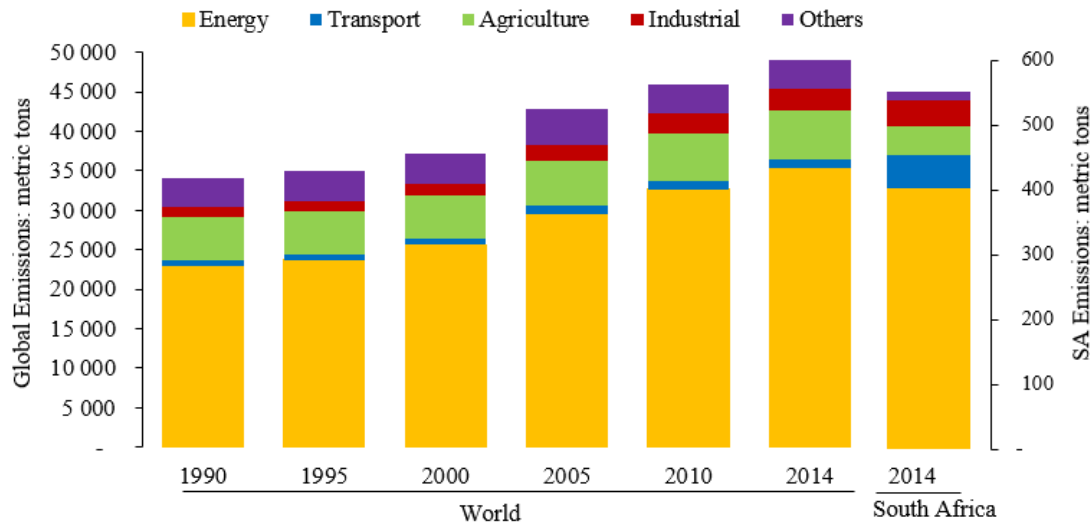


Average refrigerated truck rates per tkm, 2015

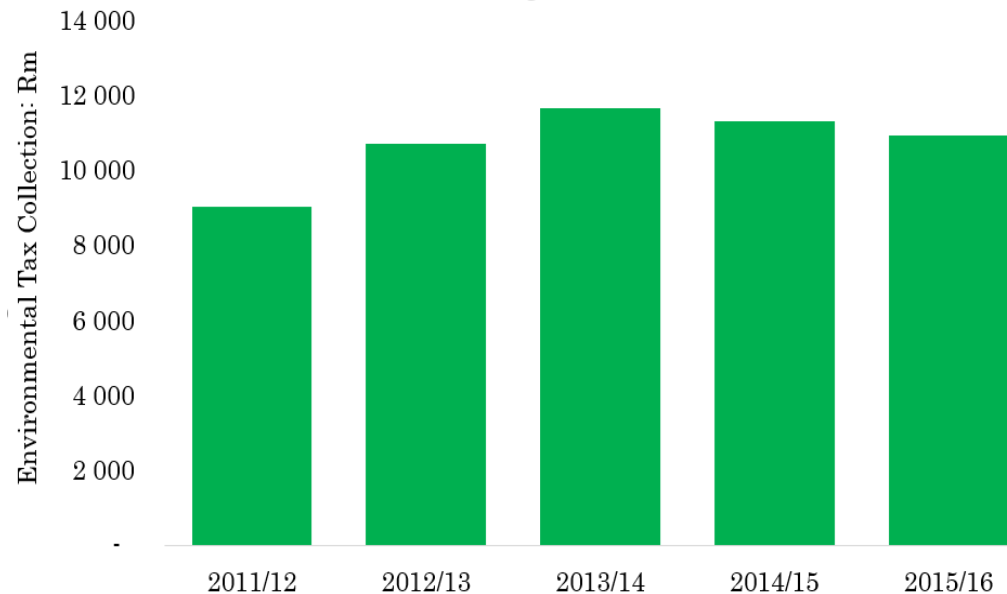
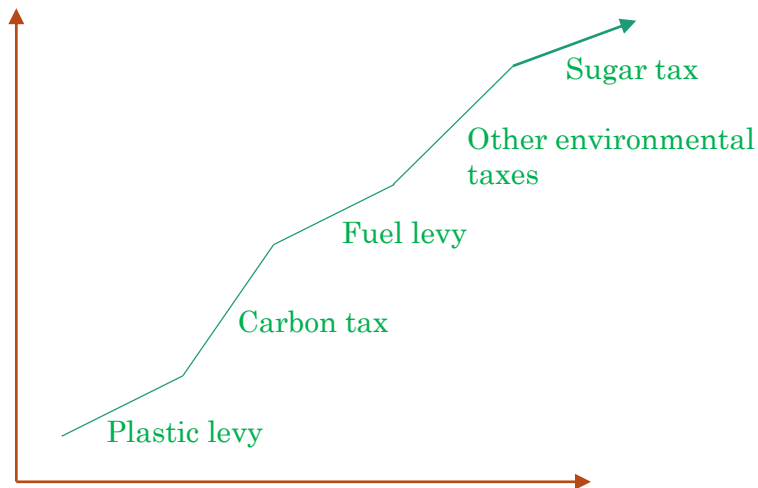




# Example: Trade and Environmental Nexus



- ❖ Competitiveness effects
- ❖ Carbon leakage problem



# Conclusion

## ❖ 3 things we touched:

- Market identification strategy for better access to new & existing markets
- Multilateralism and regional partnerships to address trade distorting factors – subsidies, infrastructure, SPS and e-commerce
- Trade and Environmental nexus – rise of TBTs

# Thank you

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