



Orchard/ Vineyard

Status of SA participation in international trade and international agreements

Ms J Mahlangu
Director International Trade
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Ship



Consumer



agriculture, land reform
& rural development

Department:
Agriculture, Land Reform and Rural Development
REPUBLIC OF SOUTH AFRICA



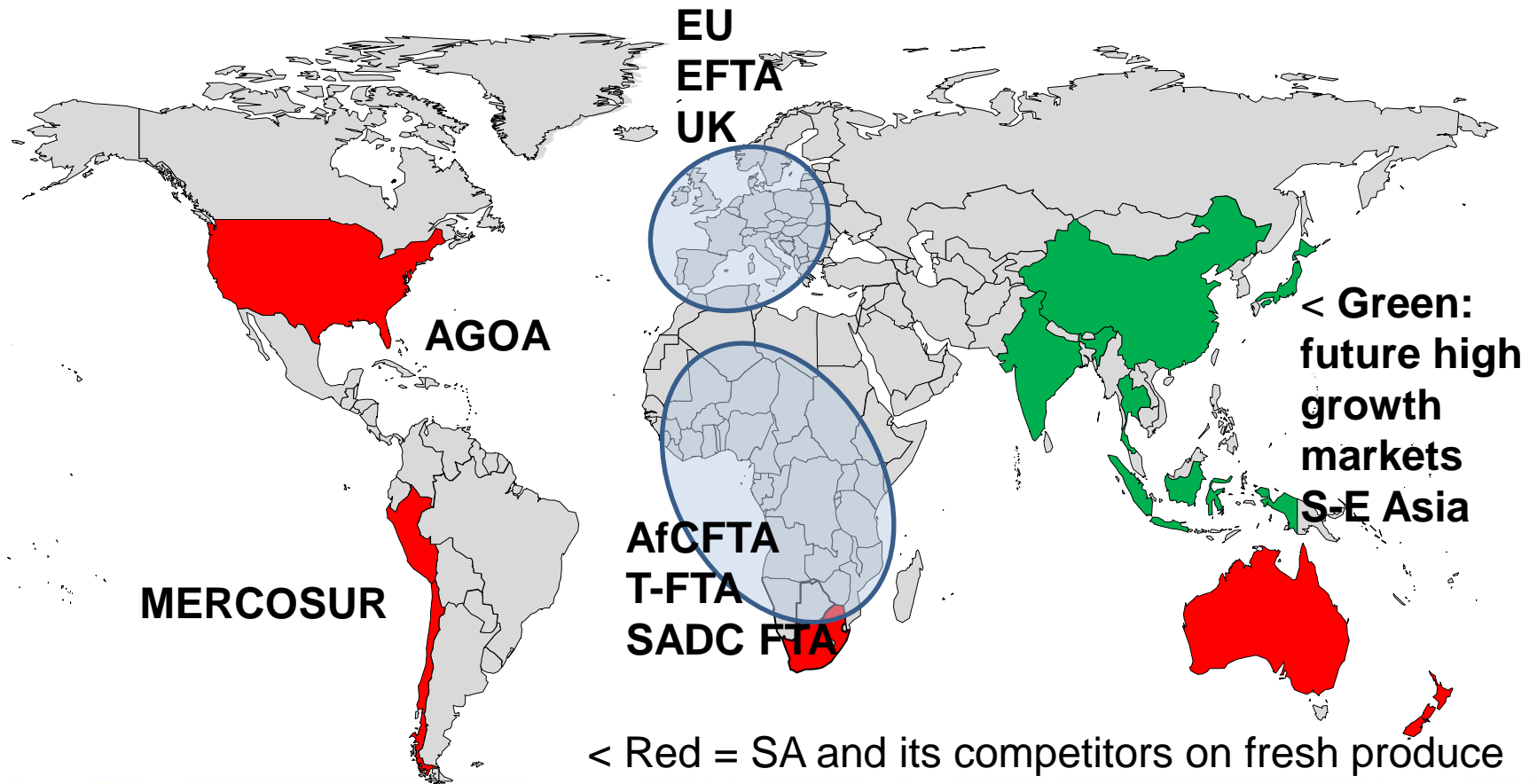
Introduction to International Trade

- International trade is regulated by the World Trade Organisation (WTO).
- Agreement on Agriculture & SPS Agreement
- Agricultural trade plays a crucial role in delivering food to consumers
- worldwide.
- Provides greater choice in consumer goods, and has played a role in
- Reducing food insecurity across the globe.

International Market Dynamics

- Prospects of (overcoming) barriers & protectionism
- Trade wars are changing global trade flows
- Disease outbreaks remain a food security threat
- Price volatility effects & changing consumer preferences over time
- High transaction costs (e.g. costly harbours, payments) and ad hoc policy application (non-compliance to agreements)

(indicated), Competitors to Asia (Red), and future high growth markets (in Green)



currently being implemented

- **AFRICA** - SACU – 1969 (Established in 1910. Last amended in 2002)
 - SADC FTA – Signed 1996 (entered into force in year 2000)
 - COMESA-EAC-SADC T-FTA (signed since 2015. About 9 countries have ratified it. Not yet implemented)
- **AfCFTA** (signed by 54 countries since 2018. About 36 Member States have ratified it. Implemented from January 2021. Some Rules of Origin & tariff negotiations are still outstanding and should all be completed latest by June 2021)
- **EUROPE** - SADC-EU EPA (Implemented from 2016, replacing trade aspects from TDCA implemented in 2000)
 - SACU-EFTA FTA (Implemented from 2008. The Agreement is currently under review)
 - SACUM–UK EPA – Implemented from 1 January 2021
- **AMERICA** - USA's AGOA
 - SACU-MERCUSOR PTA (implemented from 2016)
- **ASIA** - None
- **MULTILATERAL** - WTO Agreement on Agriculture
 - World Wine Trade Group (WWTG)

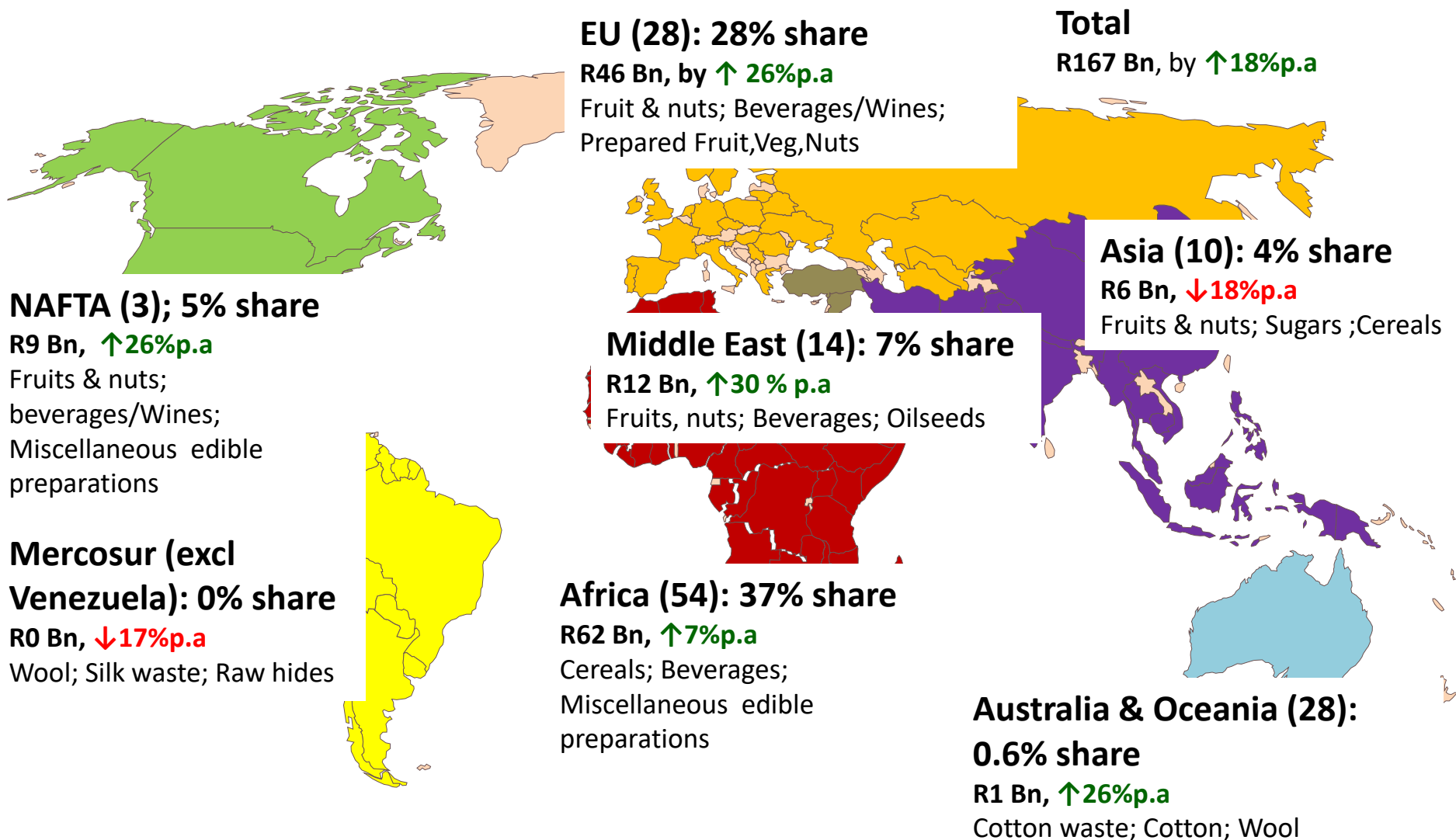
Trade Agreements currently being negotiated/reviewed

- **COMESA-EAC-SADC T-FTA** - Negotiations Ongoing (SA signed).
- **African Continental Free Trade Agreement (ACFTA)** - Negotiations ongoing to conclude on outstanding matters during 2021 (**SA signed & ratified**). The Agreement was implemented from January 2021 and is now gazetted & reflected in the SACU tariff book. Trade will commence when outstanding issues are concluded latest by June 2021.
- **SACU-EFTA Free Trade Agreement** – The review of the existing Agreement is under way
- **SACU-INDIA Preferential Trade Agreement** – put on hold due to lack of ambition

South African export growth of agricultural products in 2020 compared to 2019

Growth rates were positive in most regions but exports by value to Asian and Mercosur declined.

Indicated: Total value of exports in Billion Rand (Bn), Growth rate (%) and The top three product categories



Source data: South African Customs data from Global Trade Atlas

By: Samkelisiwe Ngwenya

Partner country	Million Rand 2020	% Share 2020	% Growth 2019-2020
World	167 480	100%	18%
Africa 54 (Excl South Africa)	62 388	37%	7%
SADC FTA-15 Excl RSA	55 779	33%	8%
EU-28	45 839	27%	26%
SACU 4 (Excl South Africa)	30 404	18%	0%
BRIC-4	15 356	9%	24%
MIDDLE EAST-14	12 150	7%	30%
ASEAN-10	6 002	4%	-18%
USA AGOA - 2012	52 837	32%	-1%
EFTA-4	786	1%	6%
MERCUSOR-4 (Excl Venezuela)	193	0%	-17%

96%

Percentage of products; Africa (54), EU-28, USA (AGOA), EFTA, MERCOSUR (but not counting GSP)

Note: Consider overlap between Africa, SADC and SACU in interpreting data

Source: Global Trade Atlas and own calculations

	Rands) 2020	value 2020	from 2019- 20	
Africa 54	62	37%	7%	Cereals; Beverages; Edible Preparations
SADC-15	56	33%	8%	Cereals; Beverages; Edible Preparations;
EU-28	46	28%	26%	Fruit & Nuts; Beverages; Prepared Vegetables, Fruits & Nuts
China	10	6%	27%	Fruit & Nuts; Wool; Meat
United States	6	4%	21%	Fruit & Nuts; Prepared Vegetables, Fruits & Nuts; Miscellaneous Edible Preparations
UAE	5	3%	34%	Fruit & Nuts; Beverages; Live Animals
Russia	4	2%	52%	Fruit & Nuts; Live Animals; Dairy
Japan	3	2%	42%	Fruit & Nuts, Oilseeds; Live Animals
Hong Kong	3	2%	-0%	Fruit & Nuts; Live Animals; Meat
Canada	3	2%	38%	Fruit & Nuts; Beverages; Live Animals
Vietnam	2	1%	-39%	Fruit & Nuts; Live Animals; Meat

Sub-sector description	Exported value (Bill Rands)	Share in SA agriculture exports (%)	Annual sub-sector growth (%)	Main products groups exported	Top export markets
HS08 Fruit and nuts	63	38%	27%	Fresh oranges, Fresh grapes, Fresh apples	EU, China
HS22 Beverages	18	11%	-3%	Wine, Waters, Non-alcoholic beverages	EU, SADC & Canada
HS10 Cereals	11	7%	98%	Maize corn, Wheat, Maize seeds	SADC, Korea South, Taiwan
HS20 Preparations of Fruits and Vegetables	9	5%	3%	Vegetables, fruits & nuts, prepared peaches, Fruit/Veg juices	SACU, EU, United States
HS21 Miscellaneous edible preparations	8	4.8%	20%	Preparations: Sauces, Soups and broths, Coffee extracts	SADC, SACU & United States

Sub-sector description	Value (Bill Rands)	agriculture exports (%)	sub-sector growth (%)	Main products groups exported	Top export markets
HS17 Sugars	7	4%	-13%	Cane sugar, Sugar confectionery, Beet sugar	SADC, EU. Korea South
HS02 Meat and edible meat offal	5	3%	33%	Bovine meat, Chicken cuts, Carcasses	SADC, SACU & China
HS15 Prepared cereal, flour, starch, milk and bakers wares	5	3%	53%	Soybean oil, Sunflower seed & oil, Margarine	SADC, SACU & EU
HS23 Animal or Vegetable Fats and Oils	5	3%	24%	Flours, Animal feed preparations, Soybean oilcake	SACU & China
HS04 Dairy products, birds eggs, honey	4	2%	6%	Milk and cream, Yoghurt, Buttermilk	SADC&SACU

EXPORT VALUE CHAIN





THANK YOU