



Overview of SACUM-UK ECONOMIC PARTNESHIP AGREEMENT

Background

Trade between SA and the UK is currently taking place under the SACUM-UK EPA. UK is a significant trading partner for SA in terms of agriculture. It is SA's second largest agricultural export partner in the EU region after Germany. The UK alone absorbs on average about 30% share of SA's total agricultural exports to the EU. The SACUM-UK EPA is a free trade agreement between SACU Member States and Mozambique, of the one part and the UK, of the other part. Negotiations of the Agreement started around June 2017 and was concluded in September 2019 and the Agreement was signed by both parties in October 2019. The Agreement entered into force on 1 January 2021.

Benefits and Opportunities

The SACUM-UK EPA is a replicate of the SADC-EU EPA in terms of market access commitments except for few provisions that were modified during negotiations. Market access provisions related to agriculture which were modified during negotiations include tariff-rate quotas for products sensitive to both SACU and the UK and trigger levels for certain agricultural products eligible for automatic agricultural safeguards.

As in the SADC-EU EPA, there are a number of benefits and opportunities provided for in the SACUM-UK EPA. The SACUM-UK EPA provides South Africa with additional benefits more than that contained in the SADC-EU EPA since none of those benefits were reduced under the SADC-EU EPA after the departure of the UK from the EU. Some important benefits for South Africa include enhanced market access for wines and sugar into the UK. With respect to wine, South Africa has gained, in addition to 114 million litres of wine currently exported duty free to the EU under the SADC-EU EPA, an additional 70 million litres of wine to be exported to the United Kingdom alone under the SACUM-UK EPA regime per annum. With respect to sugar, South Africa has also gained, in addition to 150 000 kg of sugar currently exported duty free to the EU under the SADC, an additional 71 000 kg of sugar to be exported to the United Kingdom alone under the SACUM-UK EPA regime per annum.

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