Global Geopolitical Shift

by Deon Joubert

SA Citrus Consumption (citrus fruit pp annually)...

[*Historic: 2015* - EU-28 in 2015 = 6.6 citrus]

- UK = 15.6 citrus
- EU-27 = 10.1 citrus
- Russia = 9.3 citrus

- China = 0.75 of a citrus
- Africa = 0.15 of a citrus
- India = 0.13 of a citrus

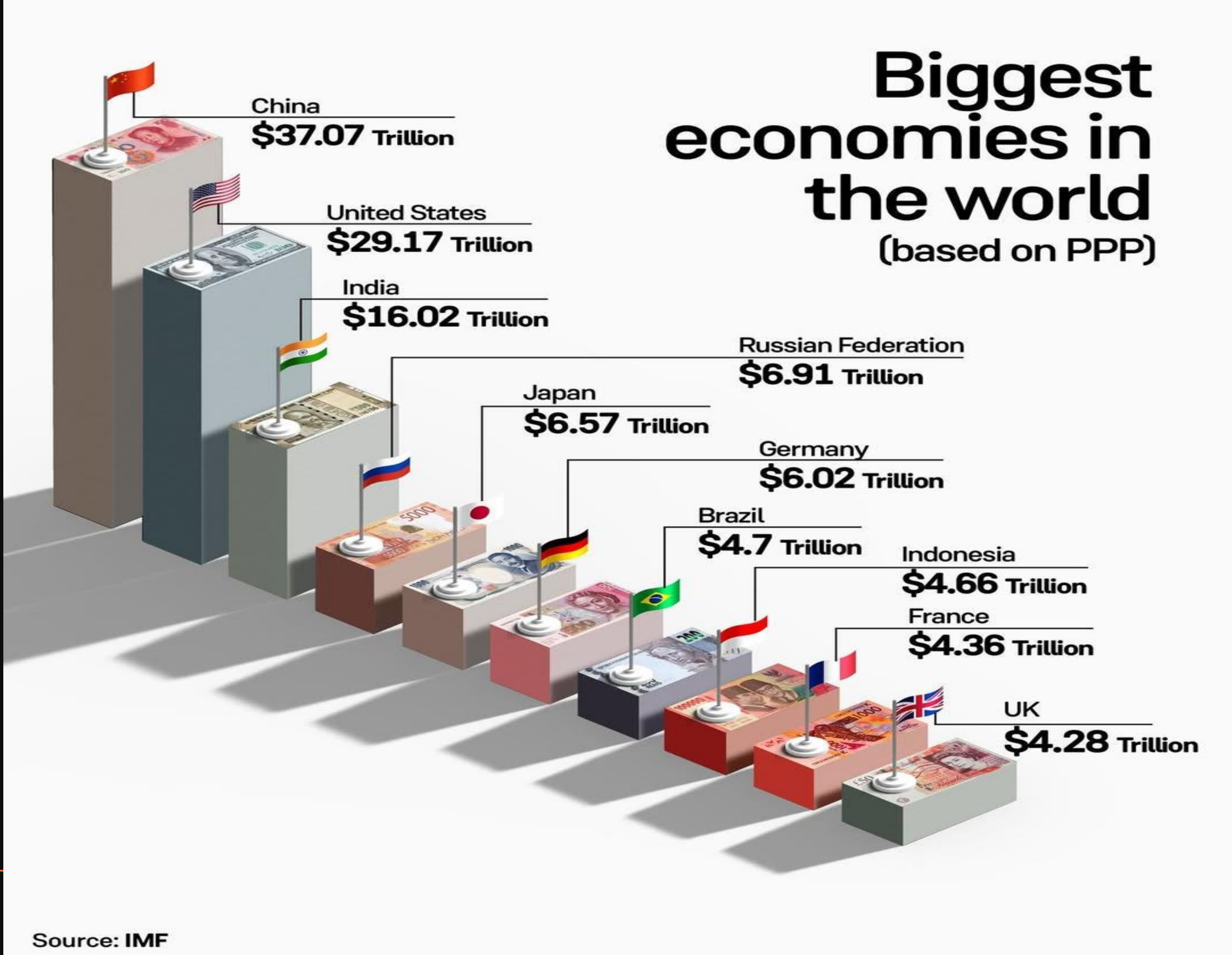
Data suggests our main markets are the industrialized, developed and western world → G7, EU, NAFTA…the old boys club.

But that is not where the growth or population nor future GDP is

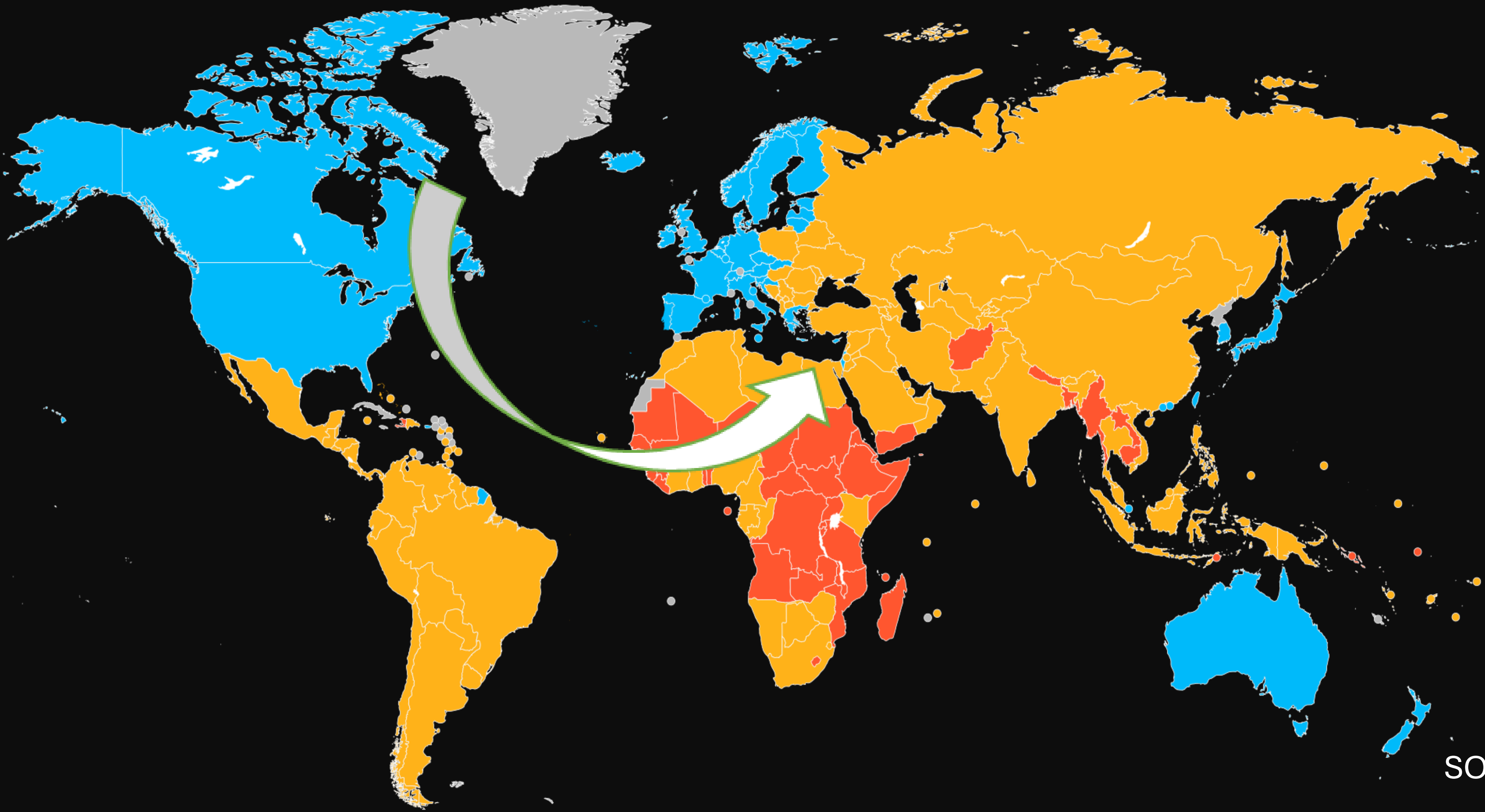
Here is where the growth, population and future GDP is

Our Main Markets: The Western World is 12% of the Population

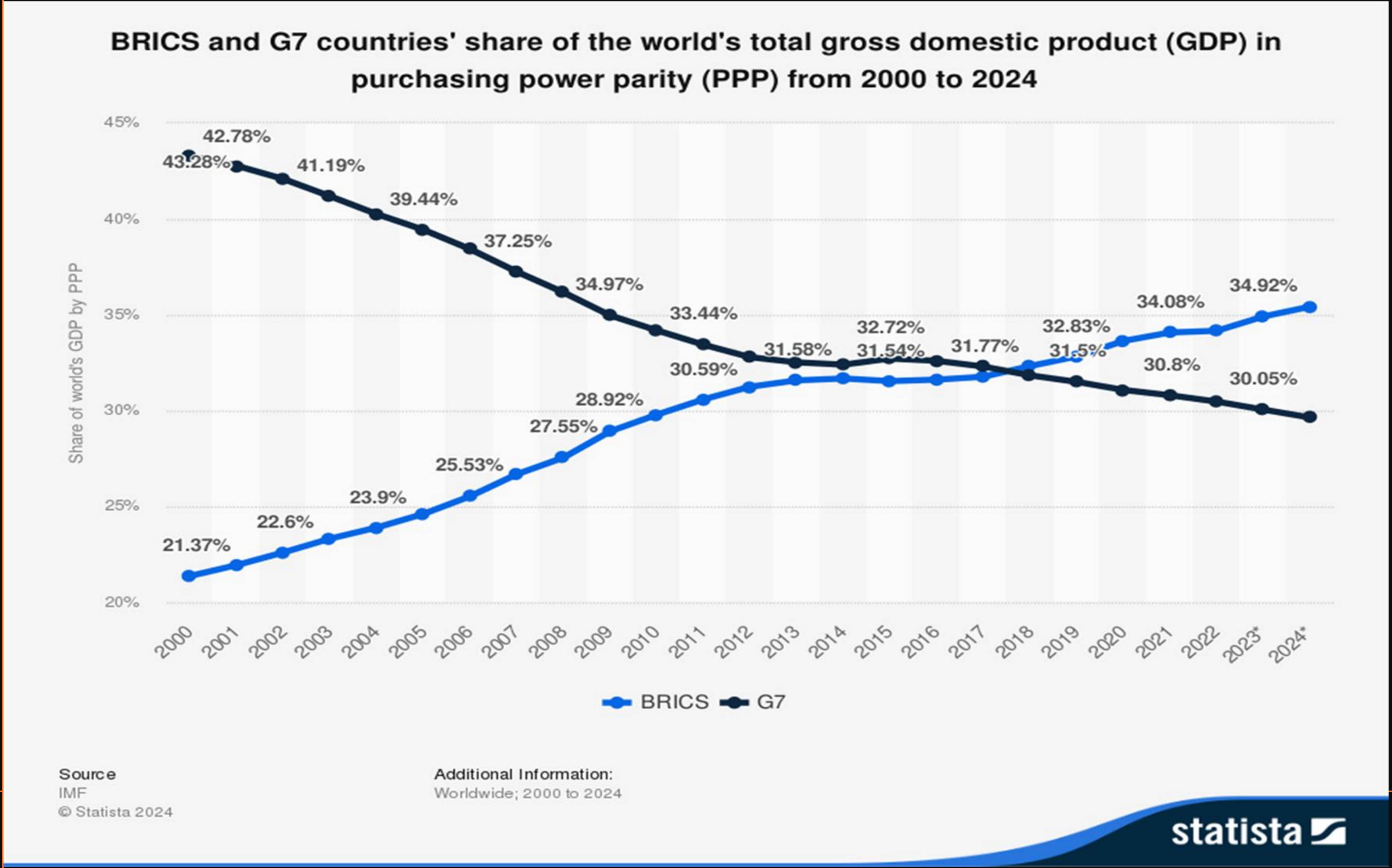
Change to catch the wave of population & growth (88%), World Trade & GDP


Biggest economies in the world
(based on PPP)
China
$37.07 Trillion
United States
$29.17 Trillion
India
$16.02 Trillion
Russian Federation
$6.91 Trillion
Japan
$6.57 Trillion
Germany
$6.02 Trillion
Brazil
$4.7 Trillion
Indonesia
$4.66 Trillion
France
$4.36 Trillion
UK
$4.28 Trillion
Source: IMF

Developed countries Developing countries Least-developed countries Data unavailable



SOURCE: IMF & UN


BRICS and G7 countries' share of the world's total gross domestic product (GDP) in purchasing power parity (PPP) from 2000 to 2024
Share of world's GDP by PPP
45%
40%
35%
30%
25%
20%
42.78%
43.28%
41.19%
39.44%
37.25%
34.97%
33.44%
31.58%
32.72%
31.54%
31.77%
32.83%
31.5%
34.08%
34.92%
30.8%
30.05%
30.59%
28.92%
27.55%
25.53%
23.9%
22.6%
21.37%
2000
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2018
2019
2020
2021
2022
2023*
2024*
BRICS
G7
Source
IMF
© Statista 2024
Additional Information:
Worldwide; 2000 to 2024
statista

EU & US vs India & China...

Population in 2024:

- EU = 450m / US = 335m
- India = 1.43b / China = 1.41b

785 million

vs

2.84 billion

STILL OUR EXPORTS TO EU/UK/US = 53%

vs Southeast Asia/Asia = 17%

Population Projection for 2050:

- EU = 447.9m / US = 398.3m
- India = 1.67b / China = 1.31b

846.2 million

vs

2.98 billion

Trade Negotiations

by Jana Janse van Rensburg

Challenges for Southern Africa citrus exports

European Union (EU)

- CBS, FCM
- Creative in new forms of market access restrictions

United States (US)

- AGOA
- Official US recognised CBS-free areas restriction

Asian & Middle East

- High tariffs, Quotas, Phytosanitary conditions

Botswana & Namibia (SACU)

- Import ban periods

Markets indicate raised, intensified restrictions and an uprise in protectionism

On multilateral level, governed by the World Trade Organisation

- Every member is bound to WTO agreements
- Objectives of agreements:

  - Strive for freer trade
  - Reduce barriers and protection
  - Provide a platform for dispute settlement

Yet, we still face these challenges (30 years)
Non-existent Appellate Body since 2019

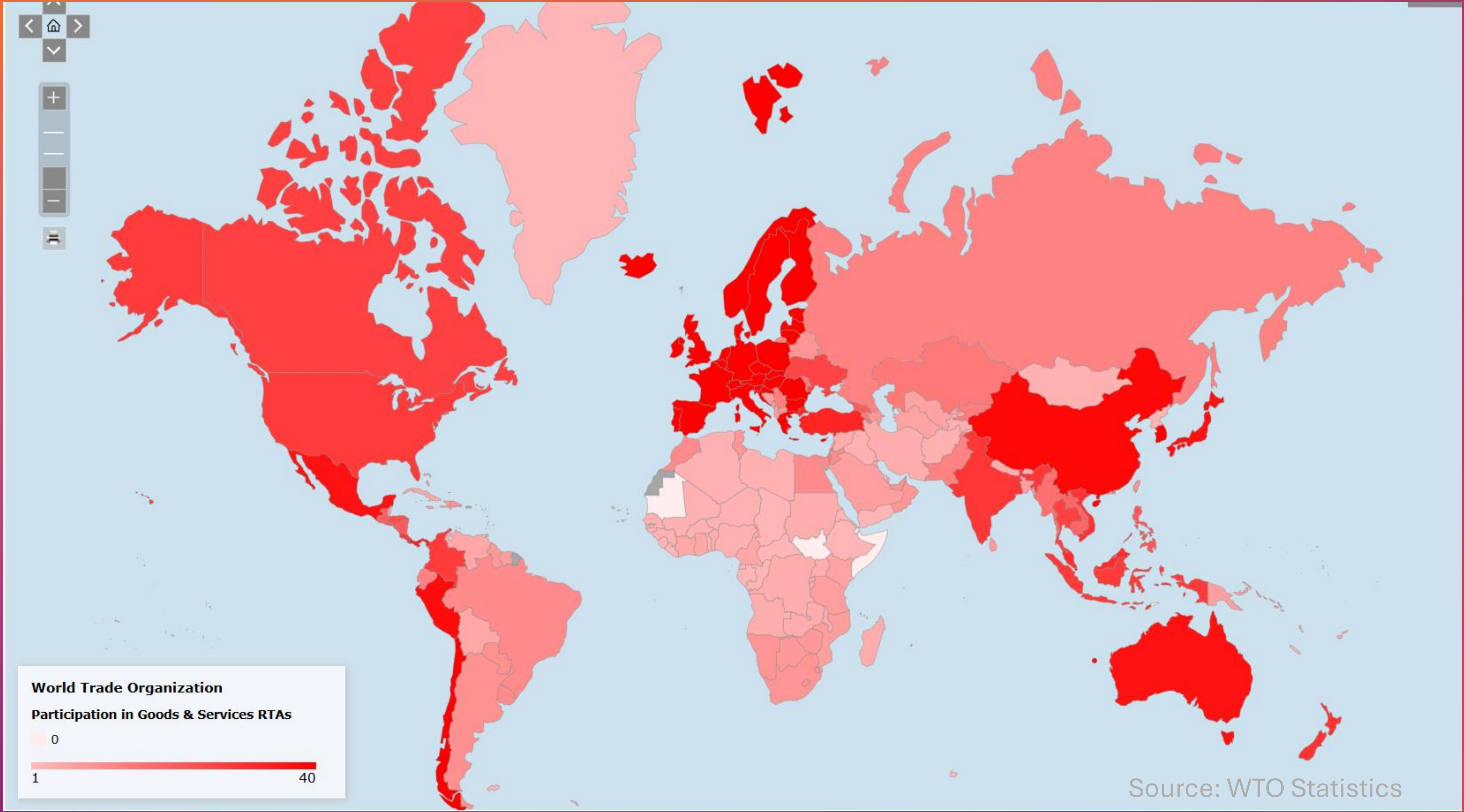
- Members contribution to the WTO is determined by a member's share of international trade (%) – EU not subject to contributions
- EU=only Union being a member / Where is SACU?

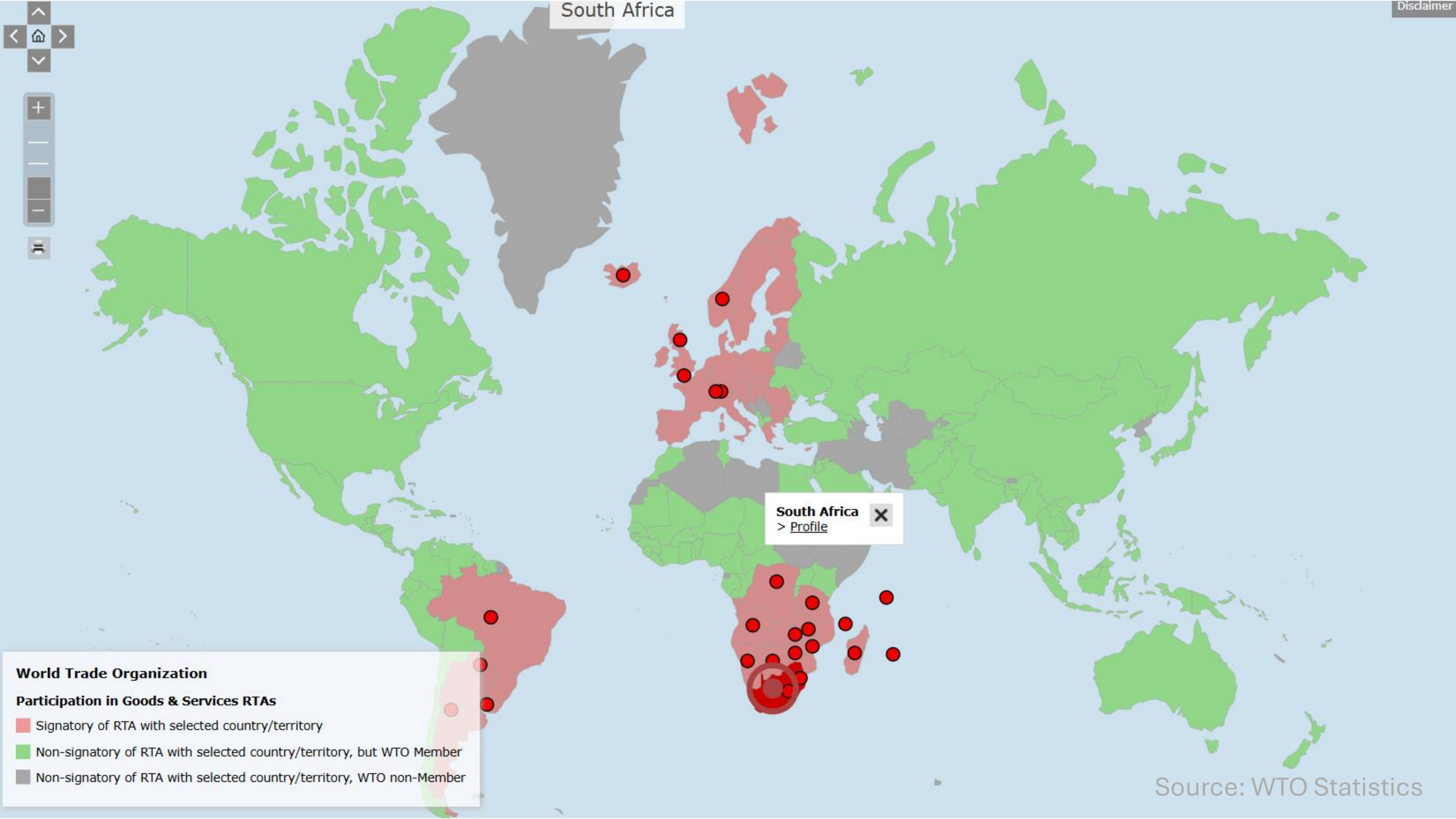
On regional & bilateral level, governed by countries' agreements

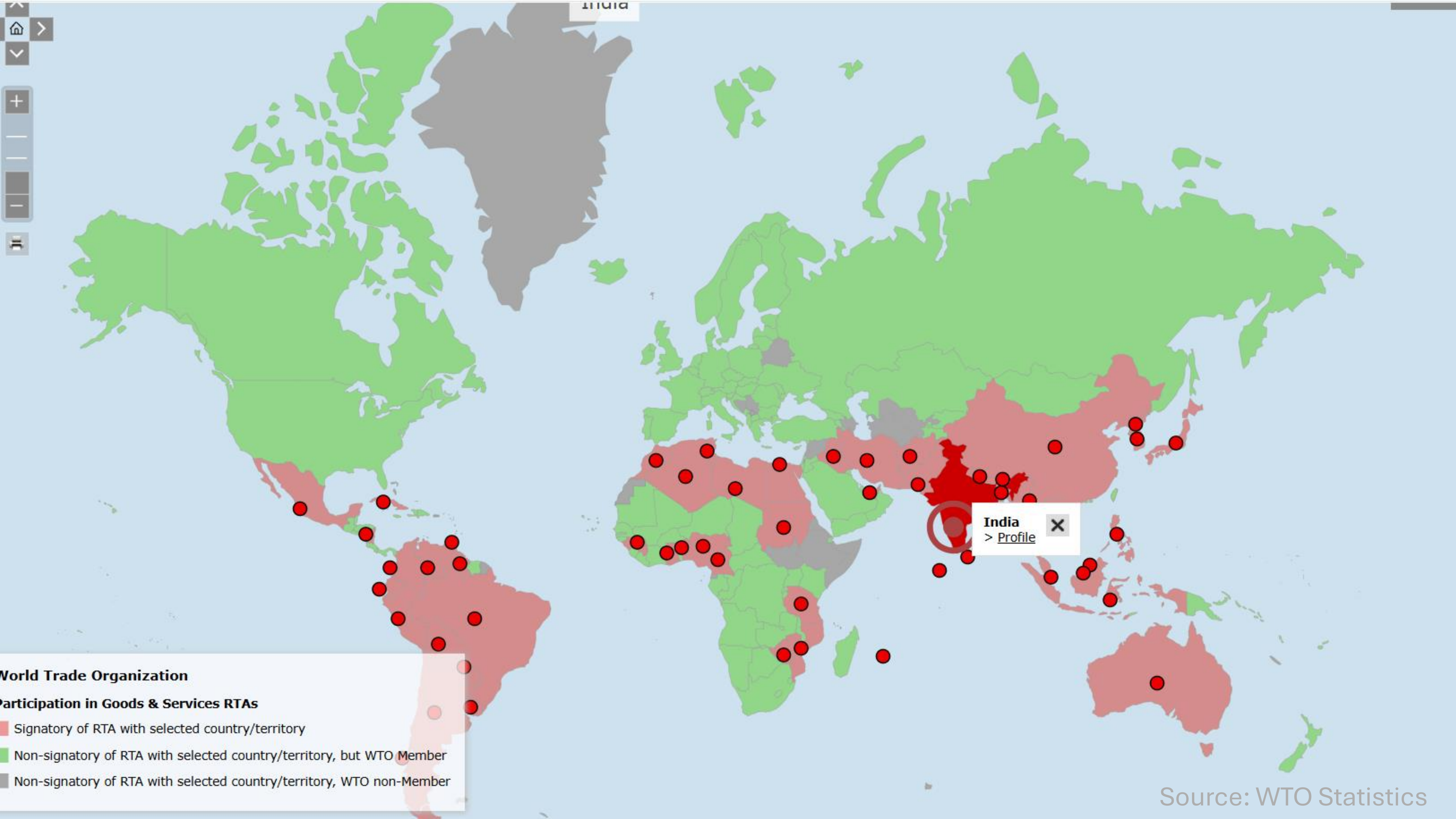
- EU has the largest trade network in the world = 40+ agreements with 70+ countries/regions

Countries with the most trade agreements globally:

1. EU 40+
2. UK 35
3. Iceland 32 & Switzerland 32
4. Norway 31
5. Liechtenstein 30 & Chile 30


World Trade Organization
Participation in Goods & Services RTAs
0
1
40
Source: WTO Statistics


South Africa
Disclaimer
South Africa
> Profile
World Trade Organization
Participation in Goods & Services RTAs
Signatory of RTA with selected country/territory
Non-signatory of RTA with selected country/territory, but WTO Member
Non-signatory of RTA with selected country/territory, WTO non-Member
Source: WTO Statistics



Source: WTO Statistics

The way forward for market access...

Put Pressure on Government!

- Proper representation at the WTO
  - Include SACU
- Pursue more regional and bilateral trade agreements that are effective
- Use BRICS+ bloc effectively
- Provide a platform for agricultural industries & associations where input on decision-making process and execution of government agricultural trade activities, can be given

The citrus industry, like all other agriculture, is heavily reliant on government performance!

Market Access Feedback on the EU

by Rocco Renaldi

Europe's existential crisis

- Europe can no longer rely on US for defence to deter Russia
- Europe is not ready, did not anticipate how radical Trump II administration would be
- EU is scrambling, but is behind the curve and divided too
- UK is back in play - it's about security, but a broader rapprochement is under way
- *Historically*, EU integration accelerates in times of crisis
- *This time round*, either manages to step up rapidly and massively OR will falter and perhaps disintegrate

Europe's new policy agenda

- Green Deal is dead - especially initiatives under the Farm2Fork strategy, never saw light of day

The focus today and going forward is on:

- Security & defence
- Growth, investment, innovation and competitiveness
- Industrial policy
- Trade
- Regulatory simplification

- *Sustainability is not off the agenda, but the logic now is sustainable competitiveness, not competitiveness through sustainability*

European agri-food policy today...

- FROM Farm2Fork TO Farmers First

- Establishment of the European Board on Agriculture & Food:
  - A new Vision for the future of agriculture and food in Europe
  - Attractive, competitive, future-proof, fair food system
- Downside?
  - Stubborn belief that European farmers are undermined by cheaper production and lower standards in third countries
    - An insistence on “mirror clauses” or similar in trade agreements
    - Non-tariff barriers

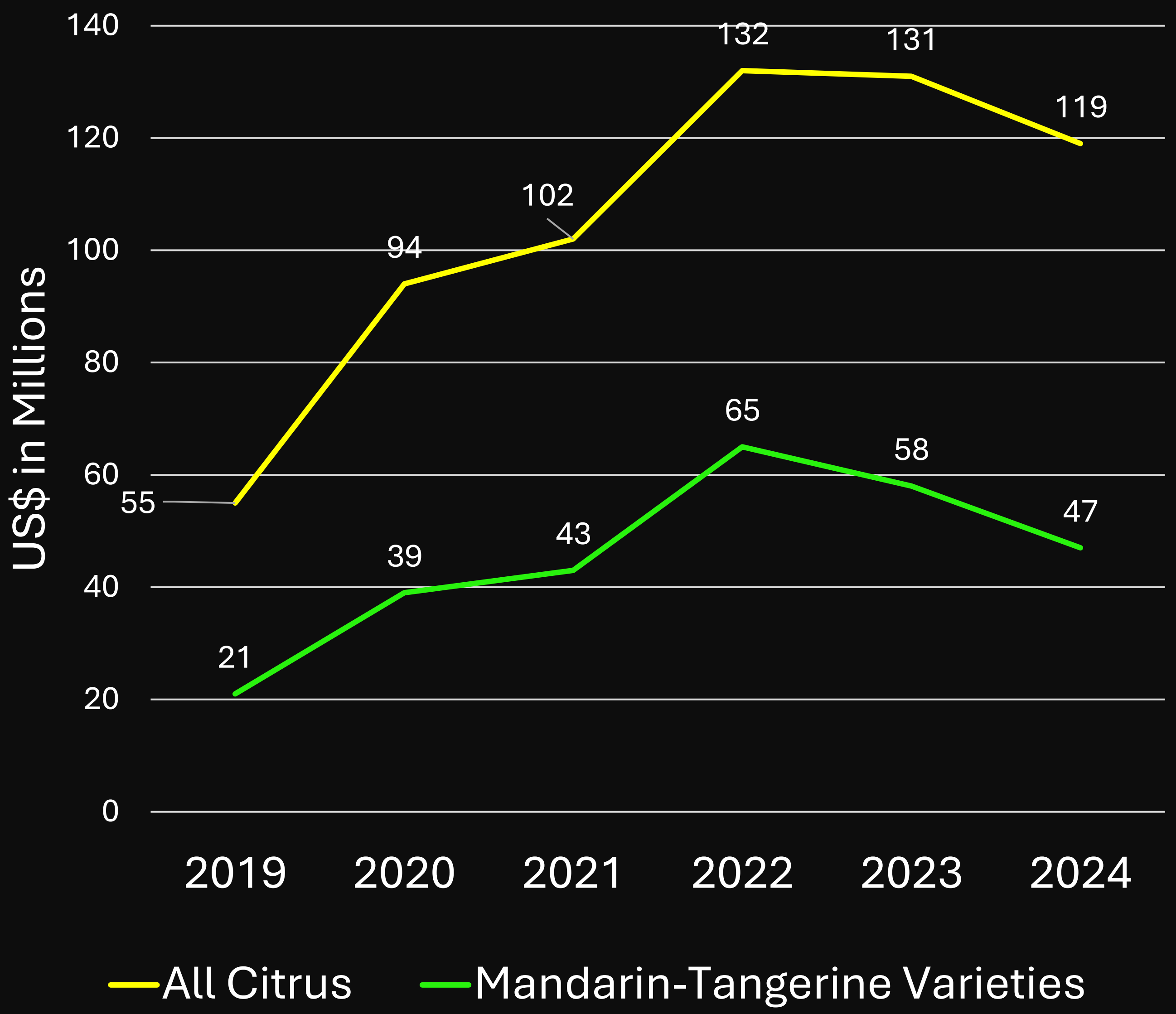
What does all of this mean for us?

- ***EU needs more friends today than ever***
  - Encourage a new approach in bilateral relations and EU-Africa relations overall?
- ***EU is misguided on the idea of level playing field***
  - We must strongly stand against the idea that we compete unfairly with European producers, leveraging support from traders
  - More communications?
- ***Our WTO case is a minor irritant to the EU***
  - BUT: as international trade picture deteriorates = perhaps a chance to expedite a settlement
  - Either way, we should **keep up the pressure and stay the course**

Market Access Feedback on the US

by Nick Gutierrez

Goal 1: Maintain & Expand Market Access



SOURCE: U.S. Census Trade Data/$USD

Goal 2: USDA Publication of South Africa Citrus Black Spot (CBS) Rule/Notice:

- *Phytosanitary Regulatory Process*

  - Publication of CBS Rule frozen since 2018 due to “quid pro quo”

- *Trade Linkage*

  - CBS Rule publication intrinsically tied to expanded access for US pork & poultry

- *CGA & South African Government Ongoing Outreach Efforts*

  - CGA consultations with USDA, USTR, US Dept. of State & U.S. private sector

  -Ministerial dialogue between DALRDD-USDA & DTIC-USTR

Goal 3: Maintain AGOA Trade Preference Benefits & Bilateral Relationships

Trump Administration trade policy is transactional & protectionist

Administration has frozen $440 million in foreign aid to South Africa

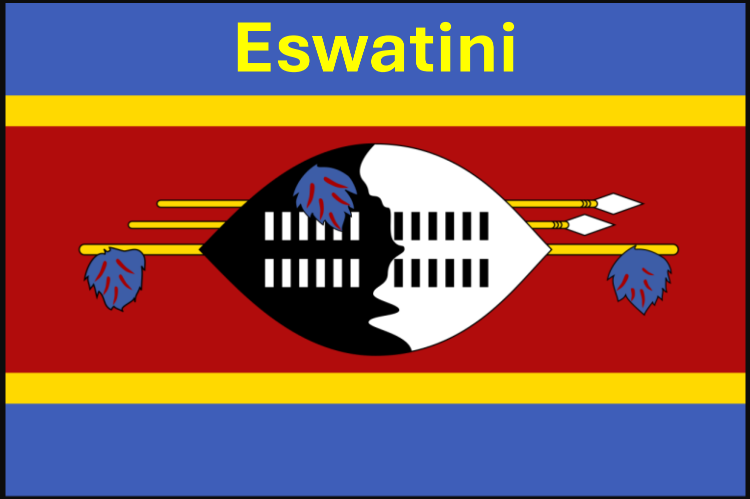
US Congress will vote on AGOA extension this year - expires on September 2025

US business sector supports AGOA extension & South Africa pro-business environment

Administration seeks allies in Africa to buffer China influence

Gaining New Market Access

Significant progress achieved



No progress to date

Thank you