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New Brexit deal welcomed by South Africans

Fresh trade deal agreed just in time for the start of the new South African export season

A new agreement between six southern African nations and the UK has brought certainty and a legal framework to trade, in the event that the UK leaves the EU without a deal.

South Africa's trade and industry minister Ebrahim Patel announced this week that South Africa, along with five other countries in the region, have concluded a new trade agreement with the UK.

Patel said that in times of uncertainty, investors and businesses tend to hold off on investment decisions. "The new agreement means there is now certainty and a legal framework for trade with the UK in the event that the UK leaves the EU without an agreement between them, currently scheduled for October 31."

The agreement would govern the trade relationship and tariffs between South Africa, Lesotho, Eswatini (Swaziland), Namibia, Botswana and Mozambique (Sacum), and the UK.

Patel said negotiators had worked late hours and in multiple locations to get the agreement in place over two years.

The announcement comes at a crucial time for the South African fresh produce industry as it enters its next export cycle.

The blueberry and flower seasons are well underway, while the stonefruit season will commence early in October, followed a month later by the table grape campaign.

The Namibian table grape season starts in early November and also ships most of its grapes to the UK and Europe.

The effects of a chaotic Brexit, which seems now to have been avoided, at last as far as the flow of South African produce is concerned, would have been disasterous.

In 2018, the UK was the fourth-largest destination for South African exports, with bilateral trade of more than R140 bn.

The new agreement, to be known as the Sacum-UK Economic Partnership Agreement, replicates the terms of the agreement in the existing Economic Partnership Agreement (EPA) with the EU, including tariffs, quotas, rules of origin and health and safety regulations.

Some customisation took place, such as for wine, which enjoys a duty free quota to the EU, as the quota had to be adjusted for the UK, without sacrificing local interests, Patel said.