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Experts unpack imperatives for improved trade in agri sector

20TH MARCH 2025 BY: MARLENY ARNOLDI - DEPUTY EDITOR ONLINE



Wandile Sihlobo, Crystal Orderson and JP Landman

With the world finding itself in turbulent territory with respect to trade relations, independent political and

economic analyst **JP Landman** identifies three necessary actions to improve South Africa's competitiveness and trade relations.

These are initiating a court process to settle uncertainty and contradictions in the Expropriation Act; negotiations for more free trade agreements; and systemically addressing local government issues.

Despite the agriculture sector having doubled its output since 1994 and having grown exports from \$2-billion in 2000 to a record \$13.7-billion, or R57.8-billion, last year, the industry is facing

uncertainties under the Expropriation Act, which not only affects agriculture but the wider economy, Landman says.

Although he is confident that the Constitutional Court will not set aside the clause that talks about no compensation, he is confident that other portions of the Act can be remedied and clarified.

Elaborating on negotiations for more free trade agreements, Landman says the Department of International Relations and Cooperation, as well as the Department of Trade, Industry and Competition, should focus trade engagement in countries that continue to have high import tariffs and are restrictive to South African exporters, including India and China.

Meanwhile, he emphasises the importance of strengthening local government to better deliver basic services that farmers need, such as water supply and proper roads, to improve farmers' competitiveness and ease of operation.

Landman cites China's model as an example, whereby municipalities drive economic growth and mayors are evaluated on performance metrics such as job creation. However, voter choice complicates this approach in South Africa.

Landman proposes that fiscal crises could force the necessary reforms in municipalities, but ultimately the message that the Presidency is conveying of welcoming private-sector participation in structural reforms should filter down to local government level.

Additionally, he says, if all political parties agree to evaluate performance based on economic growth, it could be a step forward.

Agricultural Business Chamber of South Africa chief economist **Wandile Sihlobo** comments that the success of private-public

partnerships varies across regions in South Africa, with its effectiveness often hinging on people and politics.

He agrees with Landman that more ways should be explored whereby businesses can work with municipalities to help them navigate current challenges, but deems it challenging when local stakeholders do not align.

Journalist and political analyst **Crystal Orderson** illustrates an example in Citrusdale where the public and private sectors worked together to repair a bridge damaged by floods, which shows that it is possible.

She is confident that significant changes in local government dynamics can ensue following the local government elections next year – which could lead to a shift in the agriculture sector's fortunes.

MARKET VIEW

Orderson says more engagement with the African market is necessary, owing to many untapped markets and room to negotiate free trade agreements on the back of the African Continental Free Trade Area (AfCFTA) Agreement.

She explains that the agriculture industry has often been focused on markets in neighbouring countries, instead of venturing further into West and East Africa, particularly in growing economies such as Nigeria, Ethiopia and Niger.

Orderson adds that African countries import about \$100-billion worth of food a year, which shows the significant market potential for South African farmers.

She admits that a lack of government support and challenges posed by political instability in the “Zuma era” contributed to declines in business expansion into the rest of Africa.

“The absence of government backing exacerbated issues such as bribery and supply chain problems. However, there are valuable lessons to be learned to unlock more opportunities on the continent,” Orderson states.

Sihlobo is of the view that the AfCFTA will only realise, in earnest, in ten years’ time once more countries have increased their productivity and buying power – since these are necessary for more intra-regional trade.

Commenting on other market potential, Sihlobo emphasises the importance of maintaining existing markets, such as the US, saying that although the US only accounts 4% of South Africa’s exports, the market is supplied with high-value products such as wine and citrus.

He adds that exports into Africa are skewed towards carbohydrates and grains, which shows the lower buying power in these markets and the need for innovation in economies to increase demand for higher-value products.

He warns that South Africa needs to be open and proactive in its trade negotiations, and avoid having a “do something for us” mentality.

Landman, Orderson and Sihlobo ultimately agree that collaboration between businesses, civil society and government can drive progress and that this message should be consistently delivered to all levels of government.

They also agree that domestic policy issues will need to be resolved internally in South Africa and should not be resolved outside of the country.

Sihlobo, Landman and Orderson were part of a panel discussion during Africa Agri Tech 2025, in Pretoria, on March 20.



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