



### **Press release: Agribusinesses committed to fixing the country but need credible partners**

At the Agricultural Business Chamber of South Africa's recent Council meeting, the Chairman, Mr Francois Strydom, highlighted that Agribusinesses keep the rural economy running and create employment and livelihood, but require credible partners to sustain growth and vibrancy of the rural economy. "South Africa has some of the best and most resilient agribusiness in the world but we shouldn't take their resilience for granted. Operating conditions are becoming more difficult by the day. Rural municipalities are simply not performing optimal and businesses are having to spend millions each year to make up for it. This is not a sustainable situation and we need leaders to step up and take accountability for the state of business conditions in our country."

According to Mr Strydom, South Africa is home to some of the world's leading agribusinesses that can compete with the best in the world. "These companies and business people are mobile. They have the skills, the knowledge and the capital to operate anywhere in the world. The mere fact that they are still here shows a deep sense of patriotism and commitment to this country. This is not something we should take for granted and it is especially relevant for our political leaders to take note of when positioning South Africa in a volatile geo-political situation."

"With the changing geopolitics and South Africa's ambiguous foreign policy, which seem to support Russia, the country risks jeopardising strong commercial relationships with key regions of the world that stood up against Russia's invasion of Ukraine." Says Francois Strydom, Chairman of the Agricultural Business Chamber of South Africa (Agbiz).

South Africa's food, fibre and beverage value chains have enjoyed tremendous growth supported by growing global demand. In 2022, the agriculture, food, fibre, and beverage value chain exports reached a record US\$12,8 billion, up 4% from the previous year. These exports were spread across a range of diverse markets in the African continent, Asia, the Euro Area, and the Americas.

"South Africa should be careful not to risk trade and investment relations with Western countries that have taken many years to cultivate, and that have served the South African economy well". We are concerned that South Africa's foreign policy stance on Russia is at odds, if not hostile, to those countries with which it has long-standing commercial

partnerships, especially in the Euro Area, United Kingdom and the US. It is also out of sync with other major economies such as Japan and South Korea”, added Strydom.

South Africa’s agricultural sector (and its food, fibre and beverages industries) exports about half of its production in value terms.

Agbiz CEO, Theo Boshoff, added the following; “Agribusiness are operating under increasingly difficult circumstances. Declining service delivery and infrastructure, unreliable energy supply and increased crime and instability do not bode well for investment. The private sector has reached out to government and offered to assist where it can. Agribusinesses are willing and able to invest in energy generation and rail and port operations but we need willing partners. These sectors are highly regulated so it is not something which private sector can do on its own. Public-private partnerships are needed. Agbiz is engaging at the highest possible level to drive these initiatives and whilst the sentiment is positive, there seems to be little urgency from government ‘s side. The entire economy is under severe pressure so we need these initiatives to take off within the next year. At the current rate, some of these initiatives will only yield fruit several years from now and we fear that businesses may not be in a position to assist government by the time the red tape is cleared or the partnerships are established.”

“The envisaged growth through various domestic agricultural programmes such as the Agriculture and Agro-processing Master Plan, rests on the expansion of exports to new markets while retaining the existing ones in the African continent, Asia, the Euro Area, and the Americas. This demands from us as South Africans, a clear stand and foreign policy, that does not place South Africa as a pariah but rather retains relations with prosperous and growing countries that have long supported our domestic industries. The South African government should do the correct thing and stand up on injustices in the world, while aligning South Africa with its strong economic partners.”

“The lack of discipline, structure, oversight and control has seen a rise in criminality, looting and ineptitude that erodes our competitiveness as a country. Businesses across all sectors should condemn this in the strongest possible terms” concluded Strydom.

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