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Agricultural Trade Potential and Policy Trade-Offs: Insights from Country Assessments and South Africa's Master Plans

1. Executive Summary

South Africa's pursuit of preferential and partial-scope trade agreements with selected Asian and Middle Eastern partners is central to strengthening agricultural exports, advancing value addition, and securing long-term competitiveness. The analysis undertaken in this report follows a dual track: (i) a country-by-country trade opportunity assessment covering the Gulf, East Asia, and South-East Asia; and (ii) a cross-sector review of South African industry masterplans to identify areas of consensus and sensitivity regarding trade liberalisation.

Key findings from the trade analysis indicate that the United Arab Emirates, Saudi Arabia, Japan, and South Korea represent high-value, low-resistance markets for South African agriculture. These economies combine significant import dependence, expanding consumer demand, and manageable tariff and regulatory barriers. Fruits, wine, meat, and processed foods emerge as priority product categories, with untapped potential exceeding USD 2 billion across these four markets alone. Tariff reductions, sanitary and phytosanitary (SPS) cooperation, and halal certification recognition would unlock immediate gains.

China, India, and Vietnam present much larger but more complex opportunities. While each offers multi-billion-dollar untapped potential - particularly in fruit, pork, beverages, and wool - high tariffs, strict SPS protocols, and entrenched competition from free trade agreement (FTA) partners constrain access. Moreover, these markets overlap with South African masterplan sensitivities in textiles, footwear, furniture, and industrial products, meaning that trade liberalisation must proceed cautiously, with safeguards, tariff-rate quotas, and phased access conditions. Thailand, Indonesia, Malaysia, and the Philippines also present scope for expansion, though tariff structures and non-tariff barriers remain considerable.

The masterplan analysis shows that agricultural value chains are not alone in targeting Asia. Sectors such as automotive, steel, and chemicals view Asia as both a market and a source of competition, often advocating defensive measures. By contrast, agro-processing, fruit, and beverages strongly support liberalisation in specific Asian and Gulf markets. The result is a differentiated map: broad consensus for engagement with the Gulf and East Asian partners; caution in relation to China, India, and Vietnam; and selective interest in ASEAN markets.

The methodological approach combined ITC Trade Map data, WTO tariff profiles, and OECD-FAO demand projections with Realistic Export Opportunity (REO) modelling and a cross-sector masterplan review. Each country analysis was standardised to include market context, bilateral trade performance, untapped export potential, tariff and SPS considerations, competition, and policy levers. The masterplan review aligned these opportunities with domestic industrial policy priorities.

The strategic implications are clear:

- **Prioritise** engagement with the UAE, Saudi Arabia, Japan, and South Korea through agricultural value-chain partial-scope agreements, SPS cooperation, and targeted infrastructure partnerships.
- **Phase** liberalisation with China, India, and Vietnam using safeguards, staging, and defensive carve-outs while pursuing SPS approvals for priority products such as avocados, pork, and wine.
- **Leverage** Malaysia, Indonesia, Thailand, and the Philippines as secondary but strategically important markets, particularly for fruit, beverages, and processed foods, while recognising tariff and regulatory hurdles.
- **Align** trade policy with masterplans to ensure that agricultural expansion does not undermine localisation in sensitive industrial sectors.

In conclusion, the report demonstrates that agriculture can act as a lead sector in advancing preferential trade engagements with Asia and the Middle East, provided negotiations are carefully sequenced, sector sensitivities are respected, and investment in logistics and SPS capacity accompanies market opening. The integration of country-level trade analysis with cross-sector masterplan insights offers a coherent roadmap for prioritising negotiations, balancing opportunities and risks, and positioning South African agriculture as a competitive global player.

2. Introduction

Agriculture is a cornerstone of South Africa's economy, contributing to food security, employment, and export earnings. Its role extends beyond primary production into a complex value chain spanning agro-processing, logistics, and downstream industries. In recent years, global shifts in trade and investment have increased the strategic importance of agriculture within South Africa's trade policy agenda. Rising import demand in Asia and the Middle East, coupled with structural changes in global value chains, presents South Africa with both significant opportunities and substantial challenges.

This report was developed against a backdrop of renewed emphasis on advancing preferential and partial-scope trade agreements (PTAs) that target agricultural value chains. The rationale is clear: while South Africa has concluded comprehensive trade agreements with the European Union, the United Kingdom, and the African Continental Free Trade Area (AfCFTA), engagement with Asia and the Gulf remains limited to Most Favoured Nation (MFN) terms. This places South African exporters at a competitive disadvantage relative to suppliers from countries such as Chile, Australia, and New Zealand, which benefit from deep free trade agreements in these same markets.

The study therefore addresses a central policy question: how should South Africa prioritise trade engagements with Asia and the Middle East to maximise agricultural export potential while aligning with domestic industrial policy objectives? To answer this, two parallel strands of analysis were undertaken:

1. **Country-level trade opportunity assessments** were conducted for 12 Asian and Gulf markets, covering demand trends, bilateral trade performance, tariff and non-tariff barriers, competitive dynamics, and product-level opportunities. This provides a granular picture of where South Africa stands to gain most, and under what conditions.
2. **Cross-sector masterplan analysis** was applied to align agricultural trade opportunities with South Africa's broader industrial strategy. Masterplans across key value chains-including automotive, poultry, sugar, and steel - were reviewed to identify areas of consensus, potential conflict, and required safeguards in advancing PTAs.

The report builds on international trade data, tariff profiles, OECD-FAO demand projections, and the Decision Support Model (DSM) of Realistic Export Opportunities (REOs), complemented by insights from government and industry masterplan documents. By combining these sources, the analysis moves beyond headline trade values to capture both opportunities and risks, linking global trade prospects to domestic development priorities.

The structure of the report reflects this dual approach. The first section presents detailed trade opportunity assessments for each priority country, highlighting untapped export potential and strategic entry points. The second section reviews the masterplans, extracting implications for South Africa's PTA strategy. The report then integrates these findings into a set of conclusions and recommendations for sequencing negotiations, safeguarding domestic industries, and positioning agriculture as a lead sector in South Africa's trade engagement with Asia and the Middle East.

In doing so, the report contributes to current debates on how South Africa can leverage trade policy to drive inclusive growth, competitiveness, and resilience across the agricultural value chain.

3. Country-level Trade Opportunity Assessment

3.1 United Arab Emirates: Agricultural Trade Opportunities for South Africa

3.1.1 Economic and Market Context

The United Arab Emirates (UAE) represents a strategically important market for South African agricultural exports. Non-oil GDP growth has remained robust, with forecasts from the IMF, the UAE Central Bank and the Swiss Re Institute projecting annual rates above four per cent in the medium term (IMF, 2024; UAE Central Bank, 2024; Swiss Re Institute, 2024). Rising consumer spending, particularly on food and beverages, is expected to grow at similar or faster rates. Although inflationary pressures from global disruptions, including the Russia-Ukraine conflict, have raised prices of staples such as fertilisers and grains, overall purchasing power in the UAE remains strong (World Bank, 2023).

As a net importer of nearly 90 per cent of its food requirements, food security is a central policy priority for the UAE (FAO, 2023). The government has channelled significant investment into advanced agricultural technologies such as vertical farming, hydroponics, and climate-controlled greenhouses to reduce dependence on imports, especially for vegetables (Ministry of Climate Change and Environment, UAE, 2024). More than one hundred enterprises now operate in this space, supported by public-private partnerships. Nonetheless, structural constraints-scarce arable land, limited water resources, and high input costs-mean that bulk commodities such as fruit, meat, and cereals will continue to be sourced from abroad (FAO, 2023).

3.1.2 Demographics and Consumer Trends

Demographic dynamics reinforce demand for imported food. The UAE's population of around ten million is projected to reach eleven million by 2028, with expatriates comprising the majority. About 79 per cent of residents are of working age (15-65 years), representing a diverse and affluent consumer base (TMG Research, 2024; World Bank, 2023). Shifting dietary preferences are marked by growing health awareness, reflected in policies such as mandatory nutrition labelling. The introduction of a sugar tax has dampened soft drink consumption without materially reducing sugar demand (WHO, 2023). Meat consumption continues to rise, with poultry remaining dominant due to affordability, while beef and lamb are popular among higher-income groups. Halal-certified food remains essential, while alcohol consumption, though restricted, persists among expatriates and tourists (OECD-FAO, 2024).

3.1.3 Bilateral Trade Performance

South African exports are well aligned with these patterns. In 2023, South Africa exported agricultural products worth USD 352 million to the UAE, primarily fruits, alcoholic beverages, meat (excluding poultry), processed foods, and animal feed residues (ITC, 2024). In contrast, UAE exports to South Africa were valued at only USD 74 million, led by paper products, non-alcoholic beverages, fertilisers, and sugar. Trade modelling suggests South Africa's untapped export potential to the UAE is valued at USD 140 million-almost triple the UAE's potential in South Africa (ITC, 2024).

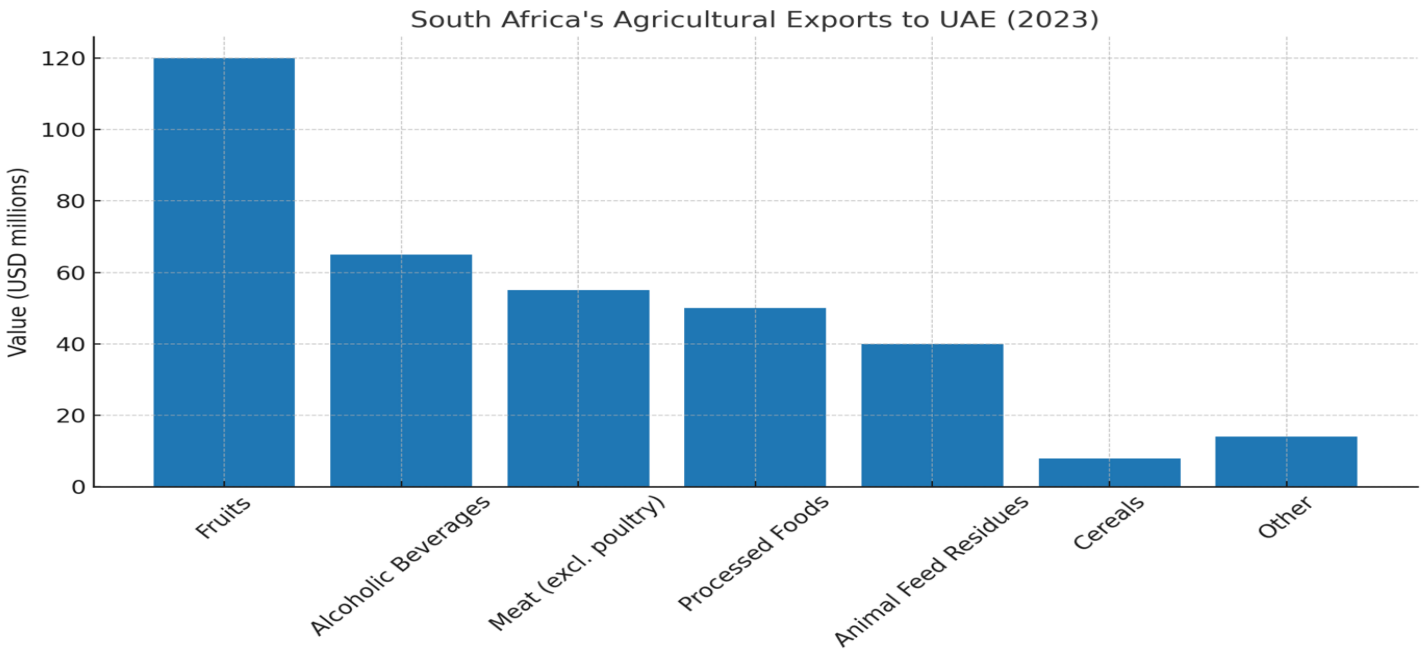


Figure 1 illustrates the current structure of South Africa's agricultural exports to the UAE, dominated by fruit, meat, beverages, and processed foods.

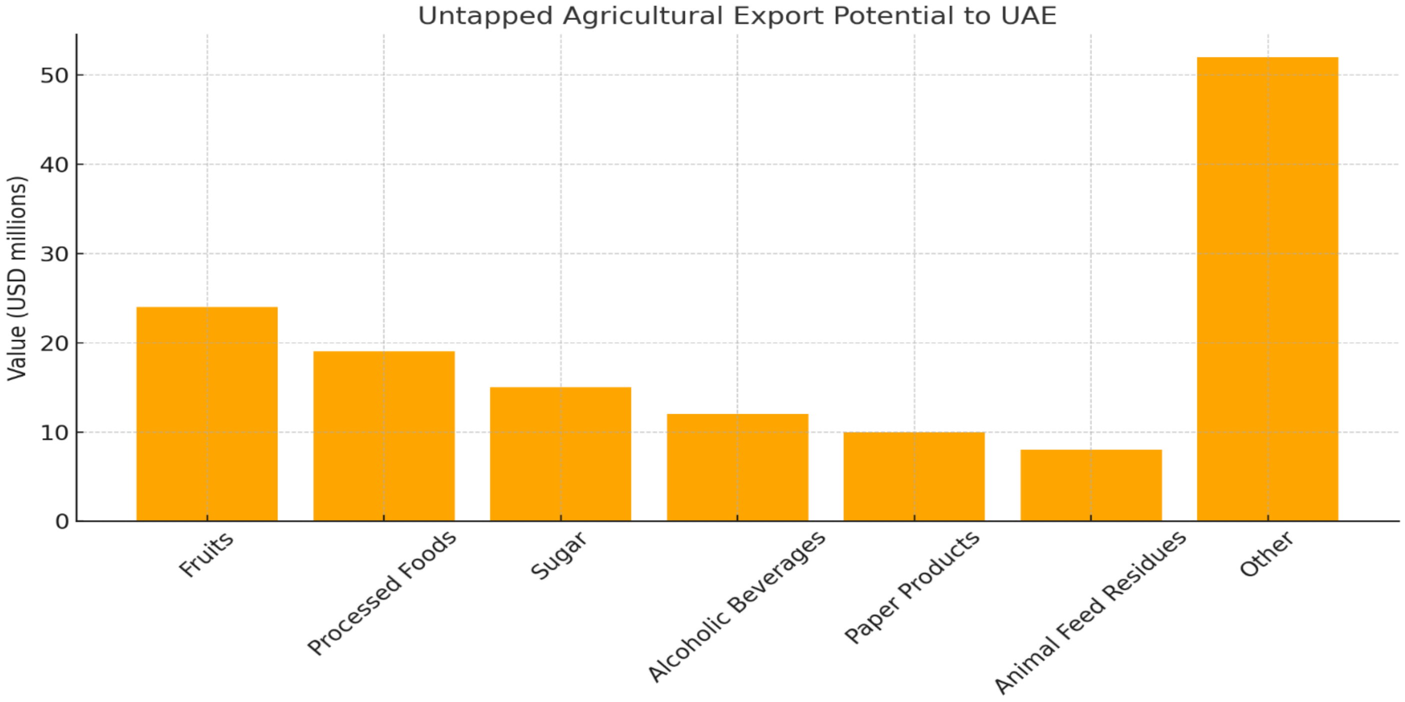


Figure 2 shows untapped export potential, with fruit, processed foods, and sugar representing the largest growth categories, together exceeding USD 50 million.

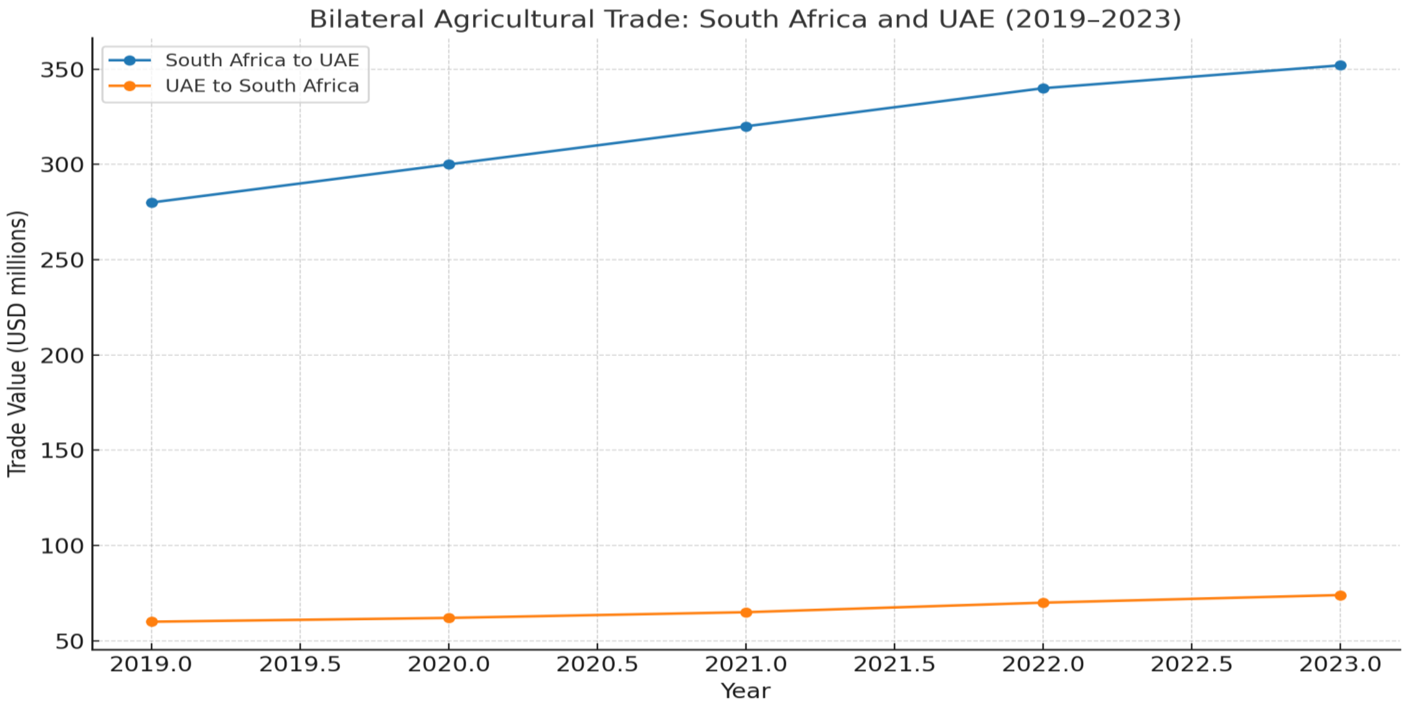


Figure 3 highlights bilateral trade trends, showing a persistent surplus in South Africa's favour, with exports rising steadily from USD 280 million in 2019 to USD 352 million in 2023, while imports from the UAE increased only modestly from USD 60 million to USD 74 million over the same period (ITC, 2024; WTO, 2024).

3.1.4 Tariff and Trade Policy Environment

From a policy perspective, the UAE applies one of the lowest average agricultural tariff regimes globally, with most duties at or below five per cent (WTO, 2024). As a member of the Gulf Cooperation Council (GCC), the

UAE negotiates trade agreements collectively. While exploratory discussions between SACU and the GCC have occurred, no preferential trade agreement currently exists (DTIC, 2024). An agricultural annex to a future SACU-GCC agreement could institutionalise sanitary and phytosanitary (SPS) cooperation, establish mutual recognition of halal standards, and streamline certification processes.

3.1.5 Strategic Opportunities and Risks

Bilateral complementarities extend beyond tariffs. The UAE actively seeks food security partnerships, including investment in foreign agricultural production and logistics (Ministry of Economy, UAE, 2024). This offers opportunities for South African producers to attract UAE co-investment in local packhouse facilities and port infrastructure, thereby strengthening supply reliability. South Africa's counter-seasonal production of fruit and wine provides a competitive edge against Northern Hemisphere suppliers such as Spain and Italy, while proximity ensures shorter shipping times compared to South American or Australasian exporters (OECD-FAO, 2024).

Nonetheless, risks remain. The UAE is a highly competitive market, with Chile and Peru entrenched as key fruit suppliers, while Australia and New Zealand compete effectively in red meat and dairy. Regulatory changes, such as halal certification requirements or labelling standards, could introduce additional compliance costs. Finally, inefficiencies in South African port operations and cold-chain logistics pose risks to supply reliability in a market where timeliness and quality are critical (Transnet, 2024).

In summary, the UAE represents a high-value opportunity for South African agriculture, particularly in fruit, processed foods, sugar, and beverages. Although tariffs are already minimal, formalising trade arrangements through a SACU-GCC agreement could enhance market certainty by embedding SPS cooperation and halal recognition. Coupled with investment partnerships in infrastructure, this would significantly strengthen South Africa's long-term competitive position.

3.2 Saudi Arabia: Agricultural Trade Opportunities for South Africa

3.2.1 Economic and Market Context

Saudi Arabia is the largest economy and most populous country in the Gulf region, with approximately 36 million people (World Bank, 2023). Its Vision 2030 reform programme seeks to reduce dependence on hydrocarbons and expand investment in non-oil sectors, including food security and agri-business (Government of Saudi Arabia, 2023). Non-oil GDP growth has averaged above four per cent annually since 2021, underpinning rising consumer expenditure on food and beverages (IMF, 2024).

Food security remains a high policy priority. The country imports around 80 per cent of its food due to water scarcity, limited arable land, and climatic constraints (FAO, 2023). Although investment in controlled-environment agriculture, desalination, and agri-tech has increased, these measures will not eliminate the country's reliance on imports. To secure supply chains, the government-through the Saudi Agricultural and Livestock Investment Company (SALIC)-has invested abroad in countries such as Ukraine, Sudan, and Australia (SALIC, 2023). This presents opportunities for South Africa both as a supplier and as a potential partner in co-investment.

3.2.2 Demographics and Consumer Trends

Demographic and dietary dynamics reinforce demand growth. The median age in Saudi Arabia is under 30, and urbanisation exceeds 85 per cent (United Nations, 2023). Rising incomes are driving higher consumption of poultry, beef, lamb, dairy, and fruit. Halal compliance is mandatory across all categories, while expanding tourism and hospitality sectors under Vision 2030 further support demand. At the same time, health campaigns on nutrition and obesity are shaping consumer choices, but demand for convenience and processed food remains strong (OECD-FAO, 2024).

3.2.3 Bilateral Trade Performance

South African agricultural exports to Saudi Arabia reached approximately USD 310 million in 2023, led by fruit (notably citrus and grapes), meat (frozen beef and lamb), processed foods, and animal feed residues (ITC, 2024). Imports from Saudi Arabia are dominated by petrochemical derivatives, plastics, fertilisers, and aluminium, with limited agricultural content (DTIC, 2024).

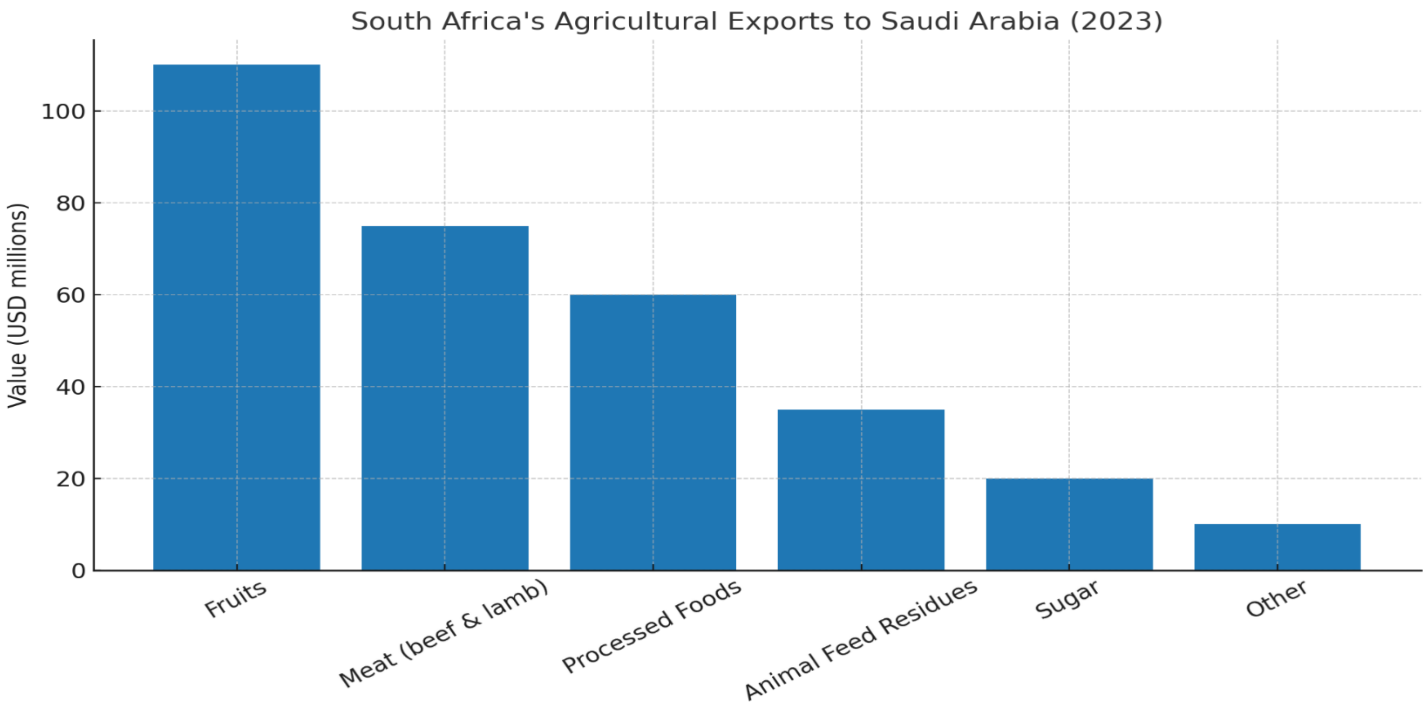


Figure 4 presents the composition of South Africa’s agricultural exports to Saudi Arabia in 2023, showing the dominance of fruit, meat, and processed foods.

Figure 5 illustrates untapped export potential by product, highlighting fruit, meat, sugar, processed foods, and dairy as key opportunities worth over USD 120 million (ITC, 2024).

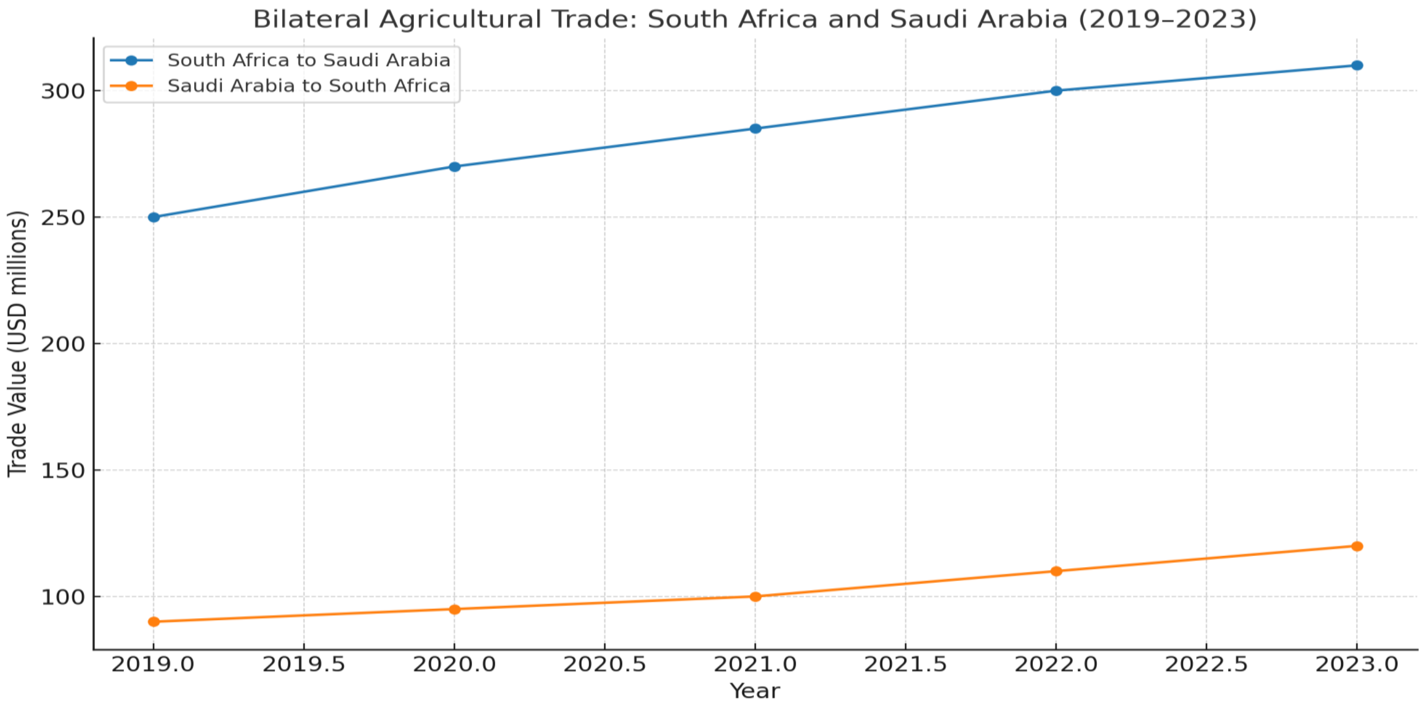


Figure 6 shows bilateral trade flows, with South Africa maintaining a persistent surplus: exports rose from USD 250 million in 2019 to USD 310 million in 2023, while Saudi exports to South Africa increased from USD 90 million to USD 120 million.

3.2.4 Tariff and Trade Policy Environment

From a tariff and regulatory perspective, Saudi Arabia applies average agricultural tariffs of around five per cent, though sensitive products such as poultry (20-25 per cent) and dairy (10-15 per cent) are higher (WTO, 2024).

Sanitary and phytosanitary (SPS) certification is managed by the Saudi Food and Drug Authority (SFDA), while halal compliance is overseen by the Saudi Standards, Metrology and Quality Organisation (SASO). These requirements are stringent but transparent, reflecting Saudi Arabia's reliance on imports.

3.2.5 Competitive Landscape

The competitive landscape is challenging. Brazil and Argentina dominate beef and poultry exports under well-established halal regimes, while Australia and New Zealand compete strongly in lamb and dairy. The EU and the US supply much of the grain and dairy imports, while India and Pakistan dominate rice exports. South Africa's comparative advantages lie in counter-seasonal fruit supply, halal-certified meat, and shorter shipping times compared to South America (OECD-FAO, 2024).

3.2.6 Strategic and Policy Opportunities

As a GCC member, Saudi Arabia negotiates trade agreements collectively. While no SACU-GCC agreement currently exists, exploratory discussions have taken place (DTIC, 2024). A preferential agreement could target tariff peaks in poultry and dairy, while an agricultural annex could institutionalise SPS and halal recognition. Saudi Arabia has also shown openness to bilateral Memoranda of Understanding (MOUs) on food security, which South Africa could use to attract investment into logistics and cold-chain infrastructure (SALIC, 2023).

3.2.7 Risks

Risks remain. Saudi trade policy is sometimes influenced by geopolitical considerations, and sudden shifts in SPS or halal standards could increase compliance costs. Intense competition from Brazil, Australia, and India limits South Africa's market share. Domestically, inefficiencies in South African port and cold-chain logistics constrain reliability, undermining competitiveness in this quality- and timeliness-driven market (Transnet, 2024).

In conclusion, Saudi Arabia represents a high-value growth market for South African agriculture, particularly in fruit, beef, lamb, processed foods, and sugar. Although tariffs are moderate, preferential trade arrangements could ease access to sensitive categories such as poultry and dairy. Most importantly, embedding SPS and halal cooperation frameworks would strengthen South Africa's ability to compete. Alongside the UAE, Saudi Arabia should be prioritised as a cornerstone partner in any SACU-GCC agricultural trade strategy.

3.3 Japan: Agricultural Trade Opportunities for South Africa

3.3.1 Economic and Market Context

Japan is one of the most affluent and strategically significant agricultural markets in Asia. With a population of over 124 million, high income levels, and one of the world's most urbanised consumer bases, Japan remains heavily dependent on agricultural imports despite maintaining self-sufficiency in staples such as rice (United Nations, 2023; OECD-FAO, 2024). Dietary patterns are shifting, driven by younger, health-conscious consumers who demand fresh fruit, vegetables, protein-rich foods, and convenience products (USDA, 2023). Rising food inflation in recent years has highlighted the importance of imports, as food prices have consistently outpaced general inflation (Reuters, 2023; Bloomberg, 2023).

Japan is a substantial net importer of agricultural goods. While grains, fish, and soya remain dietary staples, demand has expanded in fruit, dairy, meat, and processed foods (OECD-FAO, 2024). Import dependence is particularly pronounced in high-value protein products such as beef, poultry, and dairy, and in fruit categories where Japan cannot produce sufficient volumes domestically (FAO, 2023). Convenience foods are also growing in significance. However, the market is challenging to penetrate due to consumer loyalty to established suppliers, complex retail distribution networks, and strong competition from countries with preferential trade agreements (DALRRD, 2023).

3.3.2 Bilateral Trade Performance

South Africa's current agricultural exports to Japan are valued at approximately USD 436 million, led by wood and paper products, cereals (excluding rice), processed foods, fruits and nuts, and beverages (ITC, 2024). Japanese agricultural exports to South Africa are limited at around USD 30 million, mainly processed foods, fish, and beverages, though manufactured goods dominate the broader bilateral trade (WTO, 2024). Importantly, South Africa has an estimated USD 405 million in untapped agricultural export potential, indicating that trade could almost double from current levels (ITC, 2024).

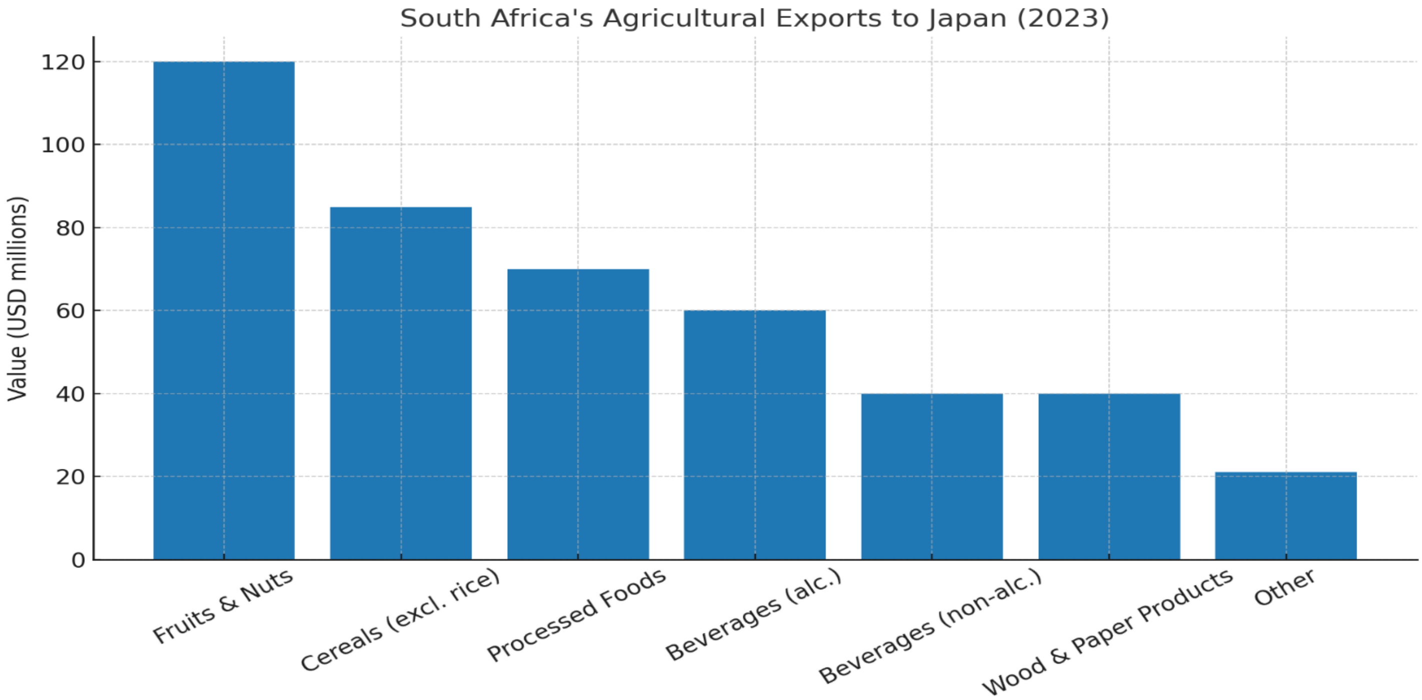


Figure 7 illustrates the composition of South Africa's agricultural exports to Japan, highlighting the roles of fruits, cereals, beverages, and processed products.

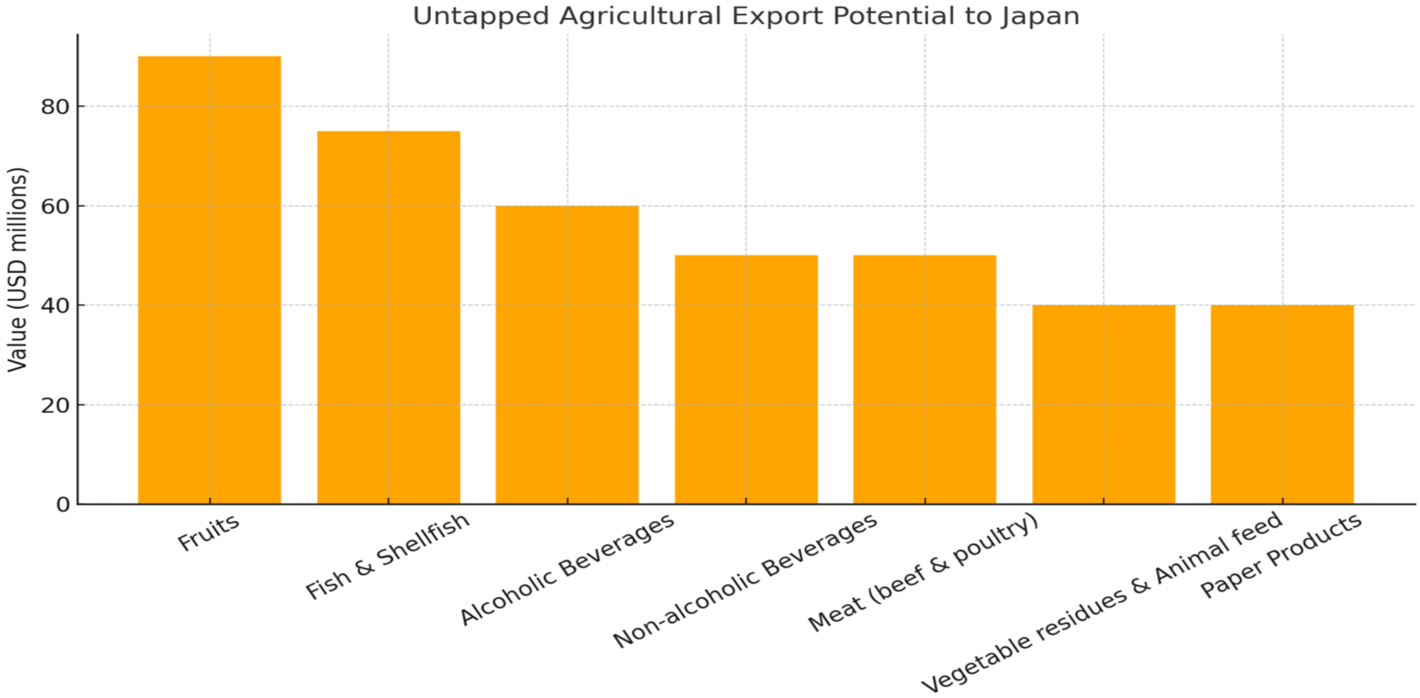


Figure 8 shows the largest untapped opportunities, concentrated in fruits (citrus, pears, apples, grapes, avocados), fish and shellfish, beverages, meat (beef and poultry), vegetable residues and animal feed, and paper products.

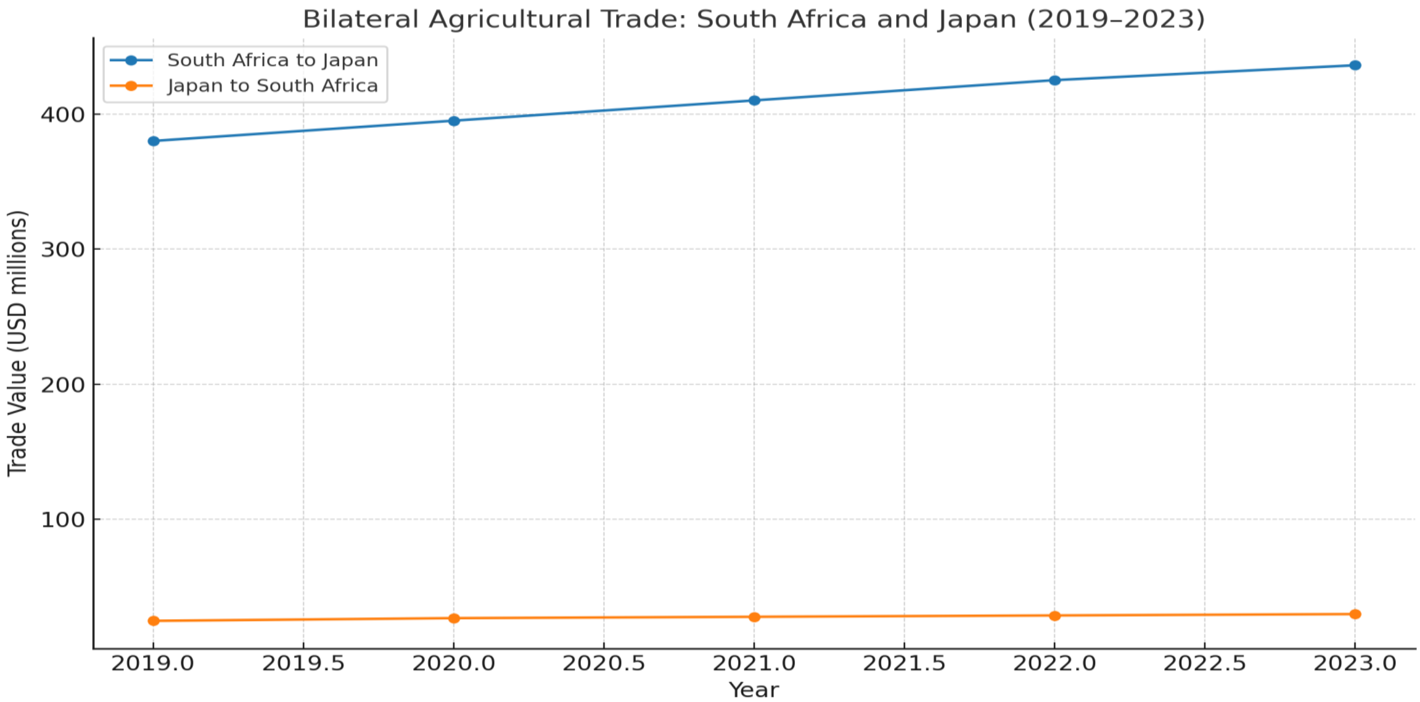


Figure 9 presents bilateral trade trends, with South African exports steadily rising and Japan's exports to South Africa remaining marginal, underscoring the asymmetry of the relationship.

3.3.3 Tariff and Trade Policy Environment

Japan's tariff structure is moderate but uneven. While some products enter tariff-free, sensitive categories face tariff peaks: beef and poultry (28%), sugar (29%), dairy products (31%), and processed meats (19%) (WTO, 2024). Cereal tariffs vary, with maize (HS 10059, HS 10051) at zero but cereal groats and pellets (HS 110319) as high as 69%. Sanitary and phytosanitary (SPS) standards are particularly strict for fruit and meat, and approval processes can be slow.

3.3.4 Strategic Export Opportunities for South Africa

The fruit industry has prioritised Japan for avocadoes, citrus, table grapes, pears, and apples, coordinated through Trade Working Groups (DALRRD, 2023). Untapped opportunities are valued at USD 33 million for avocadoes (tariff-free under specific conditions), USD 18 million for oranges (tariffs around 24%), and USD 15 million for table grapes (tariffs 12%) (ITC, 2024). Mandarins and other citrus varieties remain longer-term prospects.

3.3.5 Competitive Landscape

Competition in Japan is intense. Australia, New Zealand, Chile, and Peru enjoy preferential access through free trade agreements, while the EU and US supply significant volumes of fruit, grains, and meat (WTO, 2024; OECD-FAO, 2024). Japanese procurement is heavily loyalty-based, making entry for new suppliers difficult. South Africa's counter-seasonal supply, proximity advantages relative to South America, and competitive logistics costs partially offset these disadvantages.

3.3.6 Trade Policy Considerations

South Africa currently has no preferential trade agreement with Japan. Prospects for such an agreement are limited in the near term, as SACU has prioritised AfCFTA implementation and struggled to advance agreements with China and India (DTIC, 2024). While a free trade agreement would provide only modest tariff relief compared to the EU or US, the greater value would lie in formalising SPS cooperation, accelerating phytosanitary approvals, and supporting retail promotion strategies.

3.3.7 Risks

Risks include Japan's slow SPS approvals, which delay new product access, entrenched competition from FTA partners, and consumer loyalty to established suppliers. On the South African side, inefficiencies in port logistics and cold-chain reliability present significant risks to meeting Japan's high quality and timeliness requirements (Transnet, 2024).

In conclusion, Japan offers South Africa a high-value but highly competitive export market. Trade could nearly double with improved market access, especially for fruits (avocadoes, citrus, apples, grapes, pears), complemented by fish, beverages, and meat. While tariff disadvantages remain, gains can be made through SPS facilitation, branding, and positioning as a reliable counter-seasonal supplier. Given the scale of unrealised opportunities, Japan should remain a strategic priority alongside other East Asian markets such as South Korea and China.

3.4 South Korea: Agricultural Trade Opportunities for South Africa

3.4.1 Economic and Market Context

South Korea is a high-income, import-dependent economy of 51 million people, characterised by urbanisation, health-conscious consumers, and a mature food market (World Bank, 2023; OECD-FAO, 2024). Although self-sufficient in some staples such as rice, South Korea imports the majority of its food and agricultural commodities, including fruit, nuts, meat, and dairy (FAO, 2023). Per capita expenditure on food is among the highest in Asia, and the food market is projected to expand at an annual growth rate of just over 5 per cent between 2024 and 2028 (Statista, 2024). Demand is particularly strong in premium and luxury food products, convenience foods, and health-oriented categories.

3.4.2 Bilateral Trade Performance

South Africa's exports to South Korea remain modest but have shown consistent growth. In 2023, agricultural exports were valued at between USD 115-220 million depending on classification, led by cereals (excluding rice), sugar, fruits (citrus, pears, apples, grapes), beverages, and paper products (ITC, 2024; WTO, 2024).

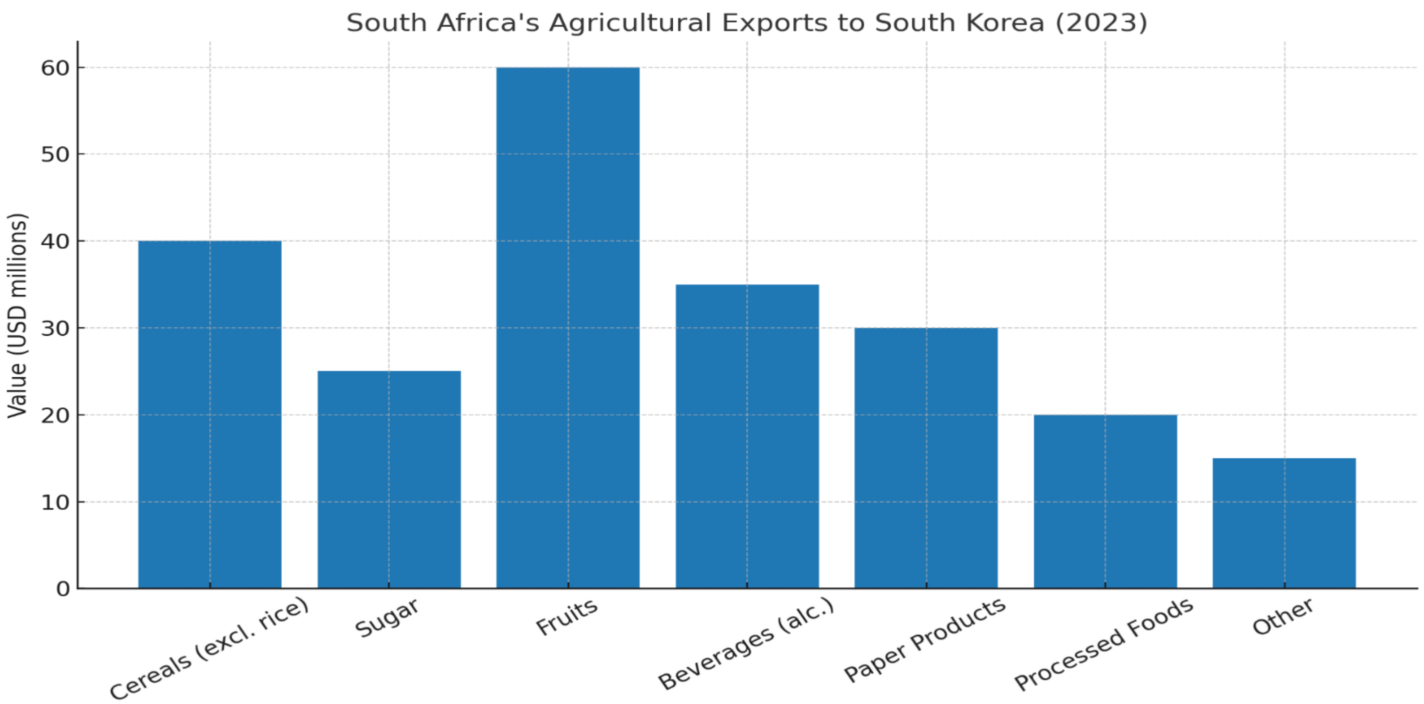


Figure 10 illustrates the composition of South Africa's agricultural exports to South Korea, showing the dominance of fruits, cereals, beverages, and paper products.

3.4.3 South Africa's Export Potential to South Korea

Trade potential modelling confirms that South Africa has far more to gain from agricultural trade with South Korea than vice versa. South Africa's untapped export potential is estimated at USD 96-100 million, compared to only USD 22 million for South Korea into South Africa (ITC, 2024). Fruit accounts for 44 per cent of this opportunity, followed by beverages, processed food, and vegetable residues and animal feed. Within fruit, avocadoes (USD 19.4 million, 25 per cent tariff), table grapes (USD 29.3 million, 45 per cent tariff), and pears (USD 12 million, 18 per cent tariff) stand out as priority products (DALRRD, 2023).

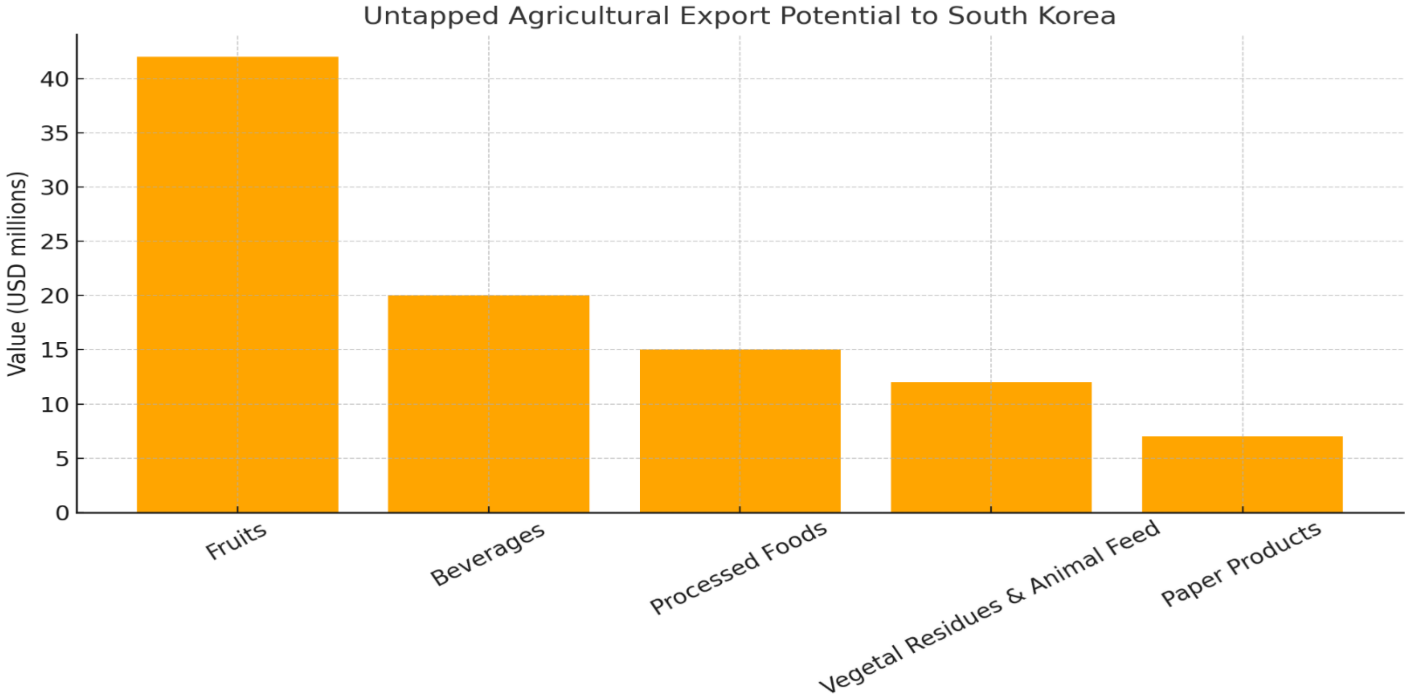


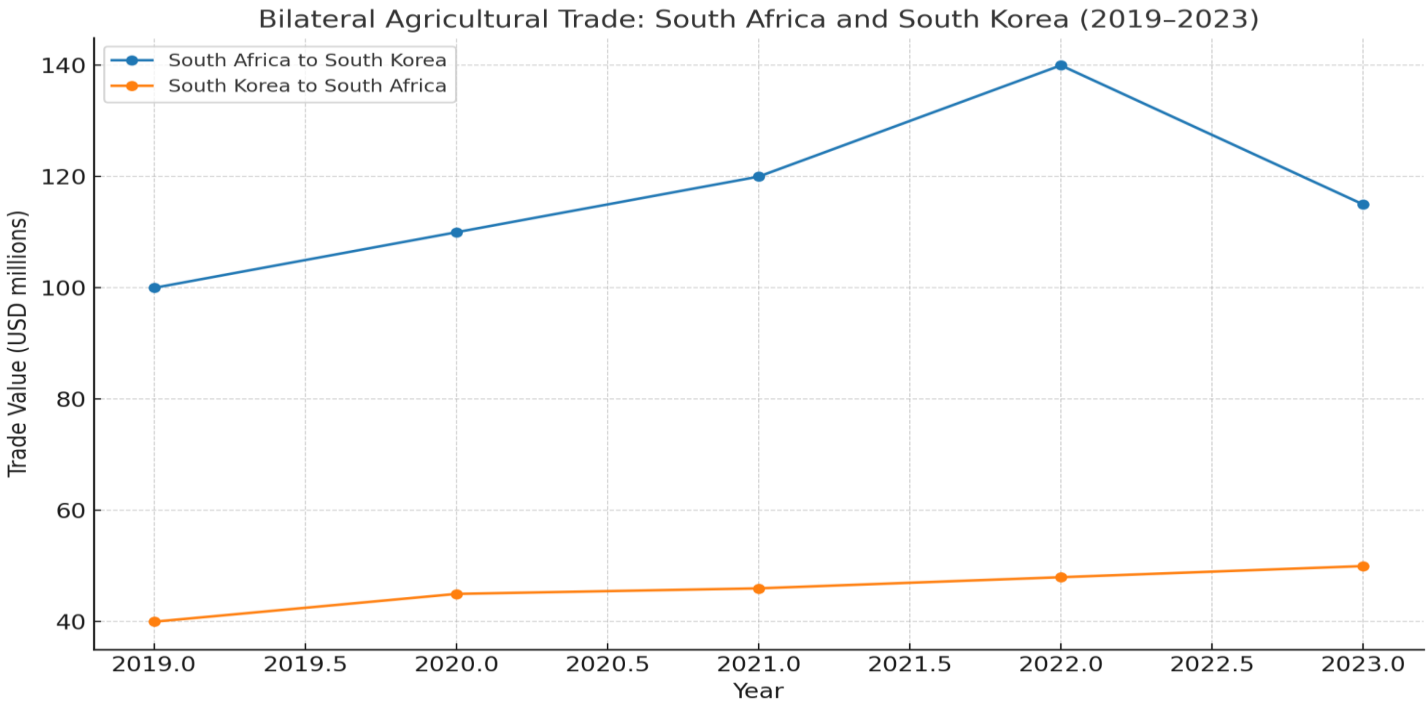
Figure 11 highlights the distribution of untapped export potential across product categories, led by fruit.

South Korea also presents opportunities for South African pork exports. Industry modelling suggests realistic opportunities of ZAR 12.9 billion, but tariffs averaging 18 per cent and strict SPS barriers currently limit market entry (ITC, 2024).

3.4.4 Tariff and Regulatory Environment

Tariffs and regulatory barriers are the principal challenges. South Korea's average agricultural tariffs are around 45 per cent, with extreme peaks such as maize (328 per cent), seeds (263 per cent), and animal feed residues (135 per cent) (WTO, 2024). Fruit and nuts face average tariffs of 47 per cent, processed foods around 82 per cent, and beverages 19 per cent. These levels place South Africa at a major disadvantage compared to competitors such as Chile, Peru, Australia, New Zealand, the EU, and the US, all of which benefit from FTAs with South Korea. SPS approval processes are also lengthy and technical, overseen by the Ministry of Food and Drug Safety (MFDS).

3.4.5 Bilateral Trade Flows



Bilateral trade flows reflect the structural asymmetry. As shown in **Figure 12**, South Africa exported USD 115 million in 2023 compared to USD 50 million in South Korean exports to South Africa, maintaining a consistent surplus.

3.4.6 Consumer Demand and Market Alignment

Consumer demand trends are favourable to South Africa's strengths. South Korean consumers are increasingly health-conscious, with strong demand for fresh fruit, nuts, protein-rich diets, and convenience foods (USDA, 2023). Counter-seasonal supply of citrus, grapes, and avocadoes provides a strategic advantage, while halal-certified products, though niche, are gradually gaining traction.

3.4.7 Competitive Landscape

The competitive environment, however, is intense. Chile and Peru dominate fruit exports under FTAs, while Australia, New Zealand, and the US are strong suppliers of beef, pork, fruit, and dairy. The EU has also captured significant market share in dairy and wine. Although South Africa faces disadvantages, counter-seasonal production and shorter shipping times relative to South America provide some mitigation.

3.4.8 Trade Policy Considerations

From a trade policy perspective, South Africa has no preferential trade agreement with South Korea. SACU has prioritised AfCFTA and regional African trade integration over Asian negotiations (DTIC, 2024). As a developed country, South Korea would expect any FTA to cover "substantially all trade", making a sectoral agreement unlikely. The more immediate opportunity lies in bilateral SPS cooperation, particularly for fruit and pork. DALRRD has already identified South Korea as a priority access market for avocadoes, grapes, and citrus through the Fruit Value Chain Round Table (DALRRD, 2023).

3.4.9 Risks

Risks include entrenched competition from FTA partners, prohibitive tariff structures, and the slow pace of SPS approvals. On the South African side, port inefficiencies and cold-chain bottlenecks undermine competitiveness in a market with strict quality standards (Transnet, 2024).

In conclusion, South Korea represents a high-value but heavily protected agricultural market. South Africa's untapped potential lies primarily in fruit, pork, beverages, and processed foods, but high tariffs and SPS barriers remain obstacles. The strategic priority should be on strengthening SPS cooperation to expedite market access for fruit and pork, while promotional efforts highlight South Africa's counter-seasonal advantage. In the longer term, a preferential trade agreement would yield meaningful tariff relief, though this remains unlikely in the near future given SACU's broader priorities.

3.5 Vietnam: Agricultural Trade Opportunities for South Africa

3.5.1 Economic and Market Context

Vietnam is one of Asia's fastest-growing food markets, with forecasts indicating annual growth of over 7 per cent between 2024 and 2028 (Statista, 2024). GDP growth is projected at 6-7 per cent in 2024, underpinned by rapid urbanisation, rising disposable incomes, and demographic factors such as a population of nearly 100 million, predominantly youthful and increasingly middle class (Fitch Solutions, 2024). These dynamics are driving demand for more diverse and higher-quality food products.

The tourism and hospitality sectors reinforce this trend, generating additional demand for beverages, premium foods, and fresh produce. Health-conscious consumption patterns, particularly the growing preference for fruit, present South Africa with competitive opportunities in citrus, pome fruit, table grapes, and wines. However, Vietnam's extensive network of free trade agreements (FTAs)-including with the EU, Australia, New Zealand, Chile, and Thailand-places South Africa at a tariff disadvantage, particularly in fruit (average tariff 18 per cent) and wine (41 per cent).

Vietnam is also emerging as a regional re-export hub within ASEAN, with imported agricultural products (notably fruit and meat) frequently processed and redistributed to neighbouring countries. This enhances the strategic value of gaining market access, as exports can indirectly reach broader regional markets.

3.5.2 Bilateral Trade Performance

South Africa enjoys a consistent trade surplus with Vietnam. In 2023, South Africa exported USD 127 million worth of agricultural and agro-based products, compared to USD 73 million imported from Vietnam, resulting in a 2:1 trade balance in South Africa's favour (ITC, 2024).

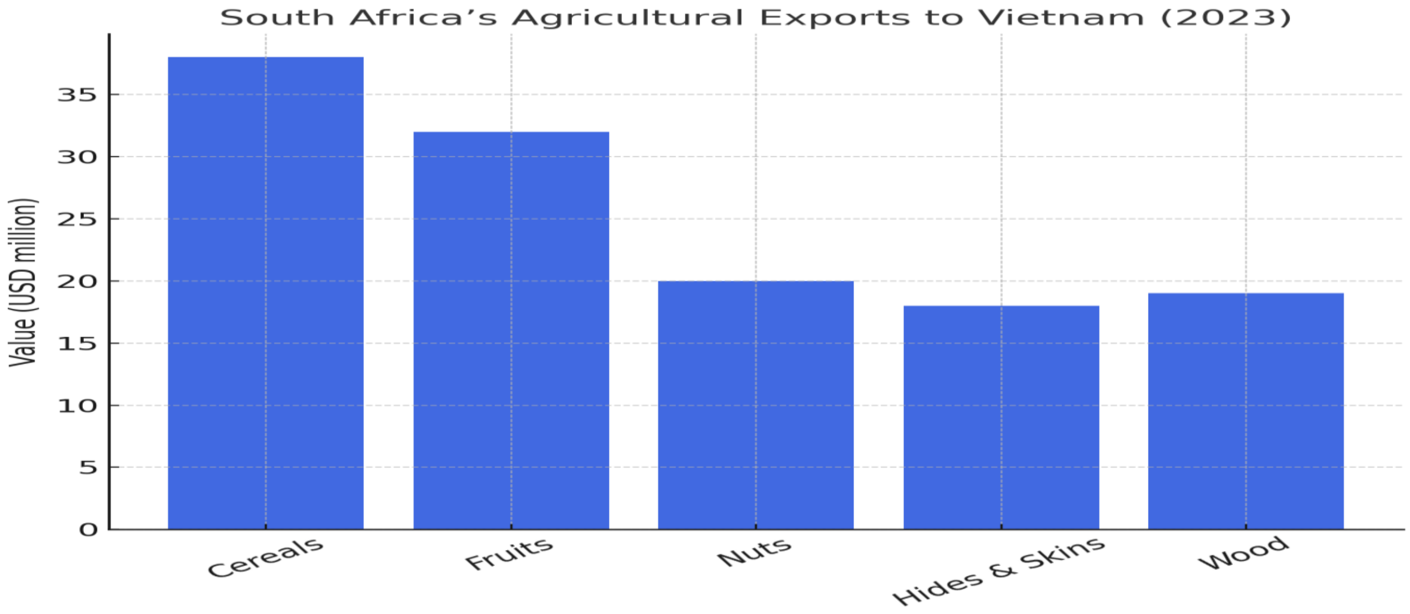


Figure 13 illustrates the composition of South Africa's agricultural exports to Vietnam, which are dominated by cereals, fruits, nuts, hides and skins, and wood. Between 2019 and 2023, bilateral trade has grown steadily, albeit with fluctuations linked to tariff structures and domestic import regulations (**Figure 15**).

3.5.3 South Africa's Export Potential to Vietnam

South Africa's untapped agricultural export potential to Vietnam is valued at approximately USD 138 million (ITC, 2024). Current strengths lie in cereals (where South Africa has fully utilised its potential), fruits (USD 56 million untapped), and nuts. Additional opportunities exist in animal feed, fertilisers, processed food, skins and leather, and fish and shellfish.

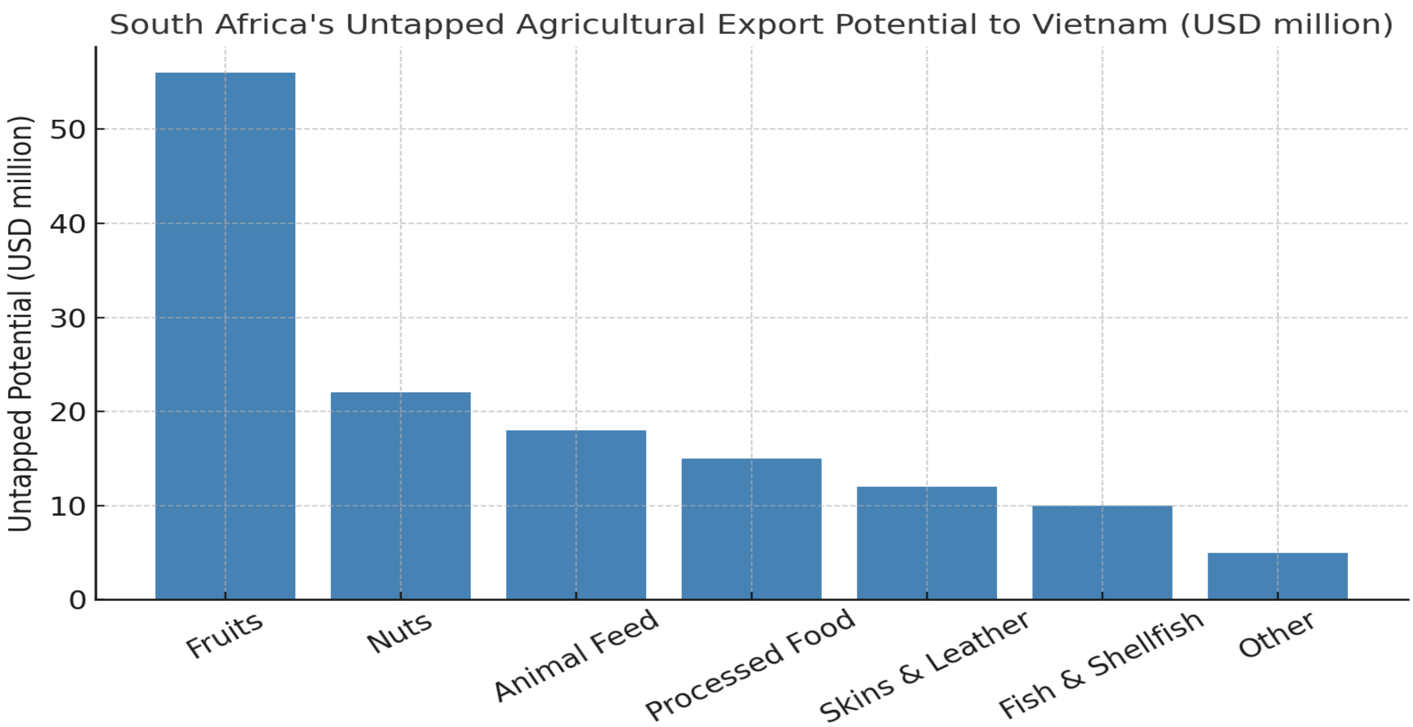


Figure 14 highlights that fruit exports represent the largest growth opportunity, supported by Vietnam's distinct domestic fruit profile, which is concentrated in tropical varieties different from South Africa's citrus, apples, pears, and grapes. Vietnam's modernising retail sector and evolving consumer diets further strengthen these prospects.

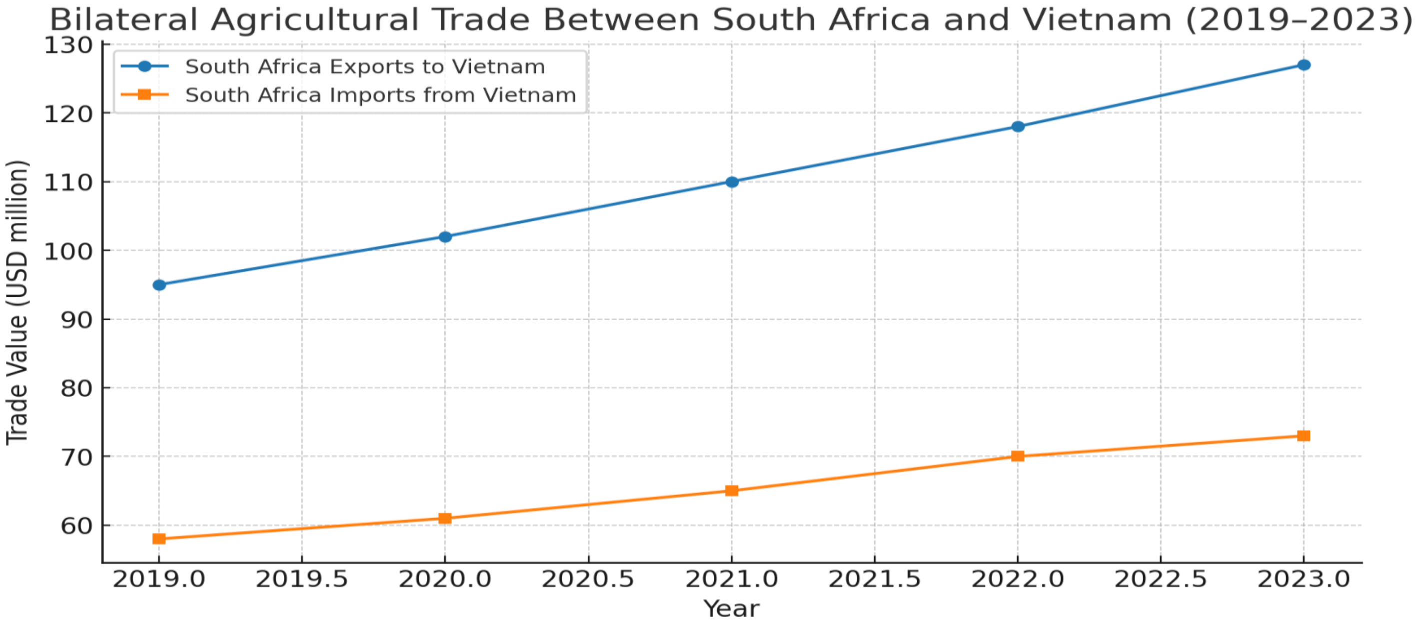


Figure 15 represents the bilateral trade between South Africa and Vietnam.

The Decision Support Model (DSM) confirms these opportunities, identifying 82 realistic export opportunities (REOs) for South Africa into Vietnam, with a combined untapped potential of ZAR 10.8 billion. Of this, agriculture, forestry and fishing account for ZAR 6.48 billion across 17 products; food products represent ZAR 1.66 billion (29 products); and leather and leather products contribute ZAR 1.63 billion (10 products). In 2020, Vietnam imported ZAR 76.9 billion worth of these products globally, but only 1.8 per cent came from South Africa, underscoring the scope for expansion (DTIC, 2021).

3.5.4 Vietnam's Export Interests in South Africa

Vietnam's agricultural and agro-manufactured exports to South Africa, valued at USD 73 million in 2023, are led by spices, wood products, apparel, nuts, and coffee. Untapped potential lies in rice (USD 30 million), apparel (USD 26 million), and processed foods. South Africa's MFN tariffs remain high in apparel (43 per cent) and beverages, which Vietnam would likely prioritise in future negotiations.

3.5.5 Mutual Interests and Trade Policy Considerations

The asymmetry in agricultural trade suggests stronger gains for South Africa from liberalisation. South African agriculture would benefit most from tariff reductions on fruit, nuts, and beverages, while Vietnam would seek access for apparel, rice, and processed products.

South Africa's pork industry has also identified Vietnam as a key priority market, contingent upon acceptance of compartmentalisation systems for disease risk management. With potential pork exports valued at ZAR 811 million, Vietnam represents the second-largest pork export opportunity for South Africa in Asia (DALRRD, 2023).

The 2021 Consolidated Trade Opportunity Report reinforced Vietnam's position as a priority growth market, particularly for citrus and nuts, and highlighted processed food and wine as longer-term opportunities contingent on tariff liberalisation (DTIC, 2021).

3.5.6 Conclusion

Vietnam presents a strategic, high-growth market for South African agriculture, particularly in fruit, wine, nuts, and pork. The positive bilateral trade balance, combined with Vietnam's consumer growth and role as a regional re-export hub, provides a strong foundation for pursuing preferential or partial trade agreements. However, South Africa must address tariff disadvantages relative to FTA competitors and actively advance sanitary and phytosanitary (SPS) negotiations to unlock the full potential of this market.

3.6 Thailand - South Africa Agricultural Trade and Market Opportunities

3.6.1 Economic and Market Context

Thailand's economic outlook remains positive, with Fitch Ratings (2024) projecting GDP growth of 3.8% in 2024, supported by robust consumer demand, a recovering tourism industry, and growth in agri-food services. The country's food market is expected to expand at an annual average rate of 5% until 2028 (Statista, 2024), while the food services sector is forecast to grow by 9% per year until 2027, largely due to rising tourist inflows (GlobalData, 2024).

Structural drivers include rapid urbanisation, population growth, and rising disposable incomes, which are shaping consumption patterns towards more diversified diets. Vegetables remain the largest consumption category, followed by meat, particularly poultry and pork (Fitch Solutions, 2024). A rising health-conscious middle class has also increased demand for fresh produce and healthier beverage options such as fruit and vegetable juices, while sugar taxes and regulations on alcohol are reshaping demand away from high-sugar and alcoholic drinks (FAO, 2023).

Thailand's agricultural economy is significant, with the sector accounting for 6% of GDP but nearly one-third of total employment. The country is a major global exporter of rice, poultry, sugar, seafood, and processed fruits such as canned pineapple (WTO, 2023). Imports reflect a growing appetite for dairy, fruit, nuts, and processed food, though tariff barriers remain high - Thailand's average applied tariff on agricultural goods is estimated at 42% (ITC, 2024).

3.6.2 Bilateral Trade Performance

Trade between South Africa and Thailand is structurally imbalanced. In 2023, South Africa exported USD 68 million worth of agricultural products to Thailand, compared with imports from Thailand worth USD 479 million - leaving a trade deficit ratio of roughly 7:1 against South Africa (ITC, 2024).

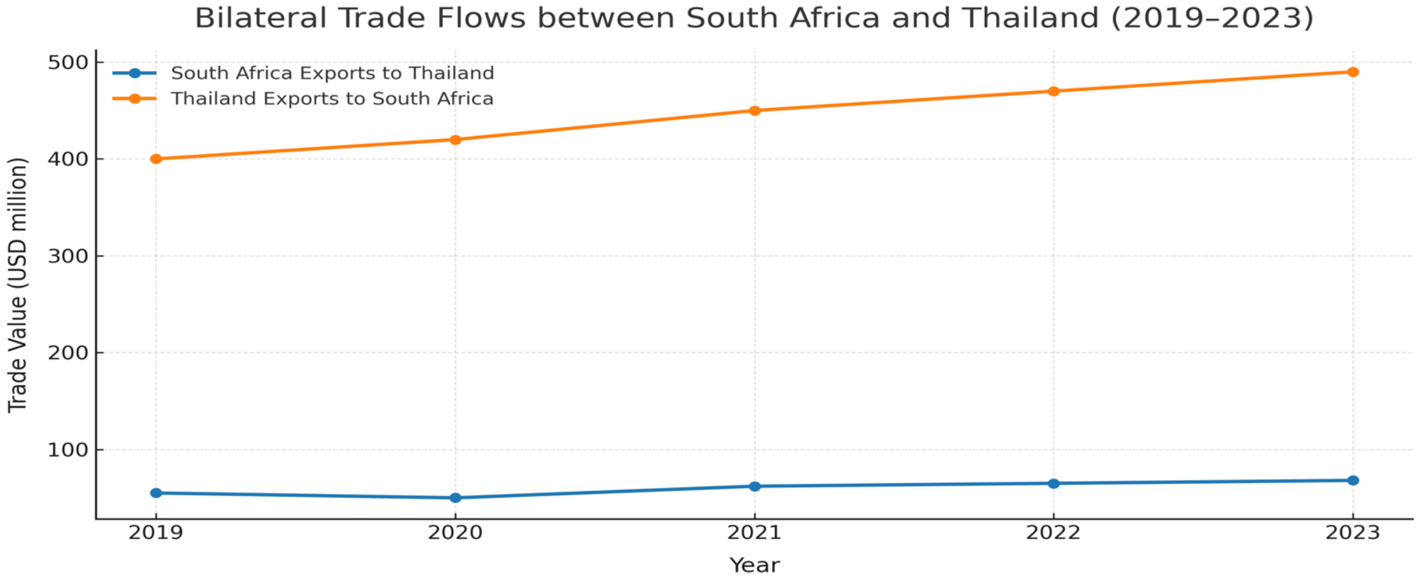


Figure 16 illustrates the bilateral trade flow between South Africa and Thailand from 2019 to 2023. While Thai exports have remained strong, South Africa's agricultural exports face persistent tariff barriers and non-tariff measures, especially in fresh produce.

3.6.3 South Africa's Export Potential to Thailand

The ITC (2024) estimates South Africa's untapped agricultural export potential to Thailand at approximately USD 167 million. Fruit accounts for 41% of this opportunity, though tariffs remain prohibitive at an average of 52%. Other sectors with high untapped potential include nuts, processed food, animal feed, chemicals, beverages, and leather.

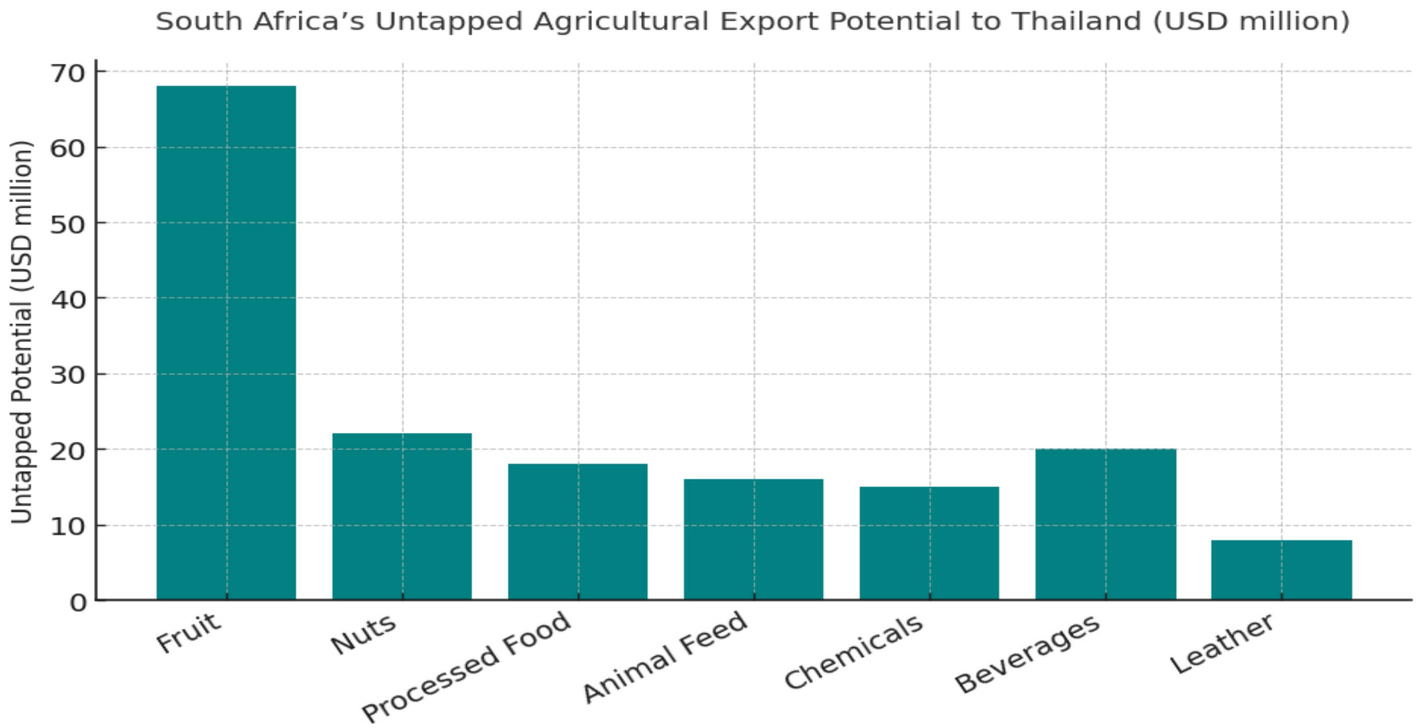


Figure 17 shows the main product categories where South Africa has scope to expand exports to Thailand.

South Africa's main current export is dissolved wood pulp (DWP), valued at USD 47 million in 2023, with low applied tariffs of 2.5%. However, high tariffs and SPS barriers have prevented fruit exports from reaching potential despite strong demand from Thai consumers (WTO, 2023).

3.6.4 Thailand's Export Interests in South Africa

Thailand's untapped potential agricultural exports to South Africa amount to USD 237 million, led by rice, processed food, fish, and poultry. South Africa's relatively low tariff regime (with exceptions such as processed food at 14%, beverages at 15%, sugar at 44%, and apparel at 43%) provides Thailand with favourable conditions to expand its market share.

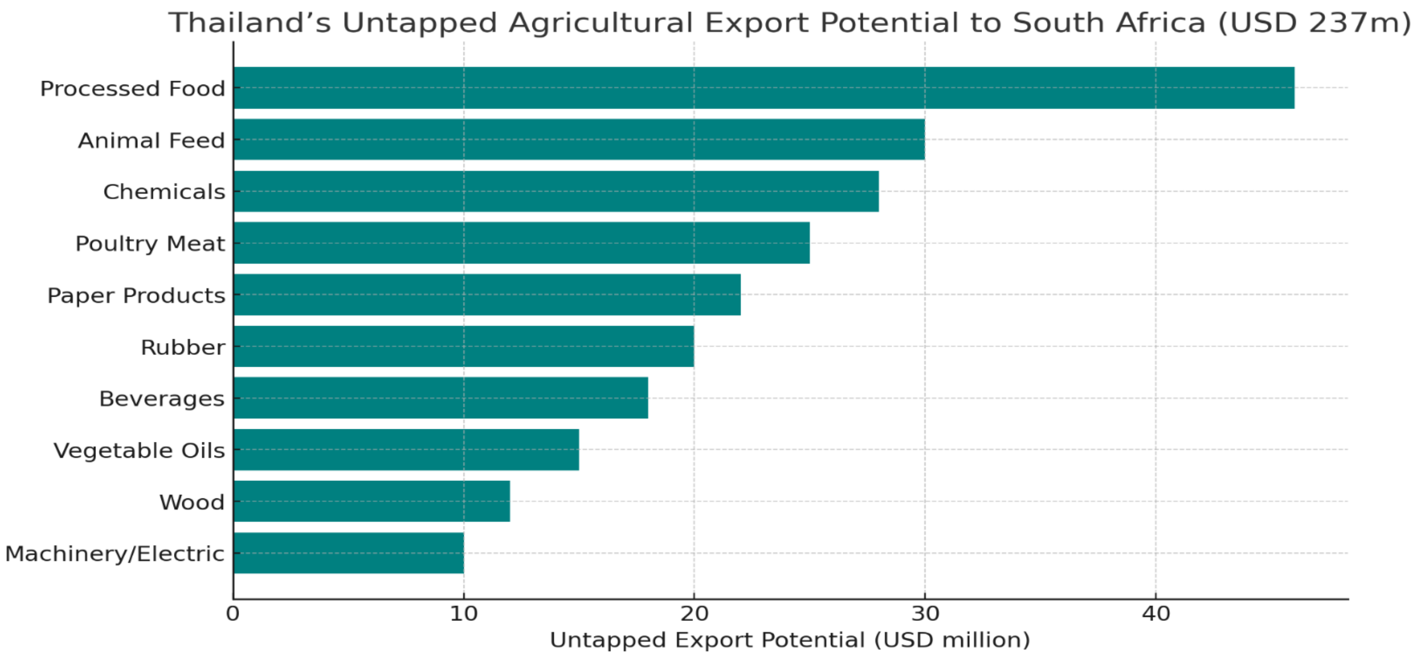


Figure 18 illustrates Thailand's untapped agricultural export potential to South Africa across the main product groups.

3.6.5 Mutual Interests and Trade Policy Considerations

Thailand's tariff structure strongly disadvantages South African exports in high-value categories such as fruit, nuts, beverages, and processed food, while Thailand benefits from relatively low tariffs when exporting to South Africa. This asymmetry underscores the strategic value of a bilateral or SACU-Thailand partial free trade agreement (PTA).

From South Africa's perspective, priority export gains lie in fruit, nuts, processed food, and alcoholic beverages. For Thailand, processed food, rice, poultry, and rubber represent the largest gains. A PTA could therefore support complementary trade expansion while addressing SPS market access barriers that currently constrain fresh produce flows.

3.6.6 Conclusion

Thailand presents a structurally challenging but high-potential agricultural market for South Africa. Although South Africa faces a current trade deficit, future opportunities - particularly in fruit and processed products - could be unlocked through tariff liberalisation and SPS negotiations. For Thailand, expanded access to South Africa's processed food and commodity markets would support its industrial and agricultural diversification.

3.7 China - South Africa Agricultural Trade and Market Opportunities

3.7.1 Economic and Market Context

China is the world's second-largest economy and South Africa's largest trading partner, accounting for 17.9% of global GDP in 2020 and home to 1.44 billion people (World Bank, 2024). Although growth has slowed from past double-digit rates, GDP is still projected at 4.5-5% in 2024. Rising urbanisation, higher disposable incomes, and the rapid expansion of e-commerce platforms such as JD.com, Pinduoduo, and Alibaba are reshaping food demand (OECD-FAO, 2023). A growing middle class and health-conscious consumer base are driving imports of fresh fruit, protein, dairy, and beverages where South Africa has strong comparative advantages.

China remains partially self-sufficient in staples such as rice, wheat, and maize but relies heavily on imports for fruit, beef, dairy, and wine. At the same time, it maintains a relatively protectionist regime with applied tariffs averaging 15-18% for agricultural products, alongside stringent sanitary and phytosanitary (SPS) regulations (ITC, 2024). South Africa faces stiff competition from suppliers with preferential agreements, including Chile, New Zealand, and Australia, which enjoy duty-free or reduced tariffs.

3.7.2 Bilateral Trade Performance

South Africa exported USD 2.4 billion worth of agricultural products to China in 2023, compared to USD 1.1 billion imported from China (ITC, 2024). This reflects a positive agricultural trade balance for South Africa, with major exports including citrus, table grapes, wine, wool, hides and skins, and wood pulp. Imports from China consist mainly of processed foods, prepared vegetables, beverages, fertilisers, and agro-manufactured goods.

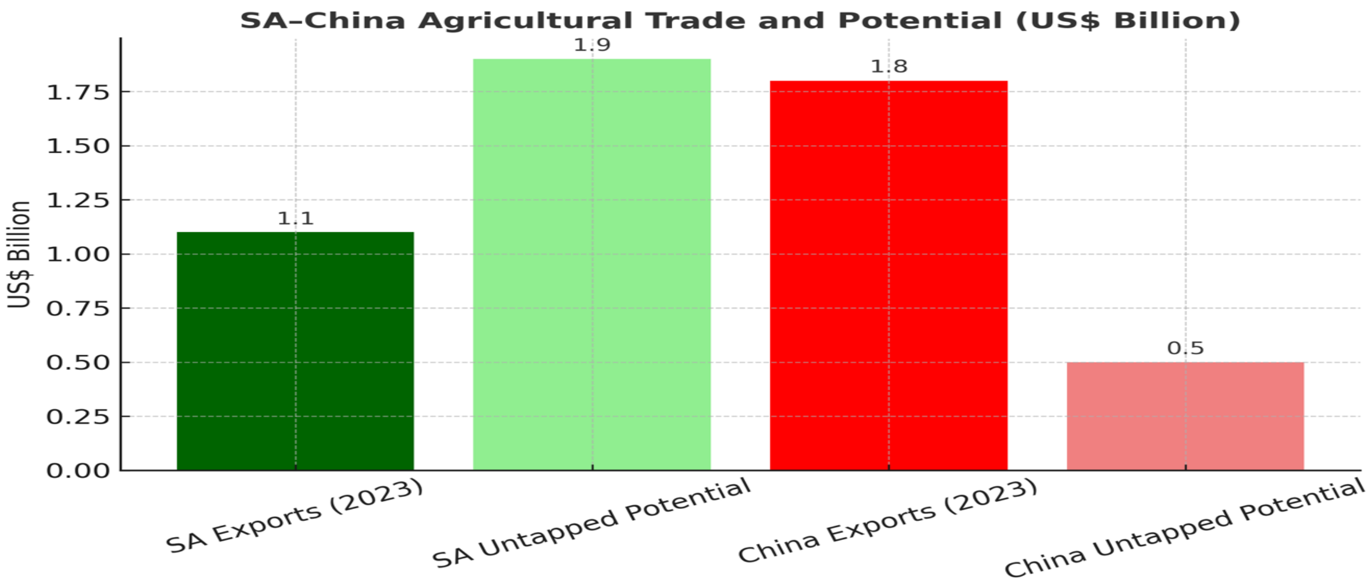


Figure 16 shows South Africa's trade balance with China, highlighting the scale of current exports and the large untapped potential that remains.

3.7.3 South Africa's Export Potential to China

The International Trade Centre estimates South Africa's untapped agricultural export potential to China at USD 7.8 billion, nearly three times current export levels (ITC, 2024).

- **Fruits and nuts** dominate this potential, particularly citrus, table grapes, apples, pears, and avocados.
- **Wine and beverages**, with tariffs averaging 12%, represent another significant growth area.
- **Wool and hides** already form part of South Africa's core export basket, but further expansion is possible.
- **Beef and other animal proteins** hold high potential, though market access depends on SPS protocols.
- **Forestry products**, especially dissolved wood pulp (DWP), are also strong performers, with current tariffs at zero.

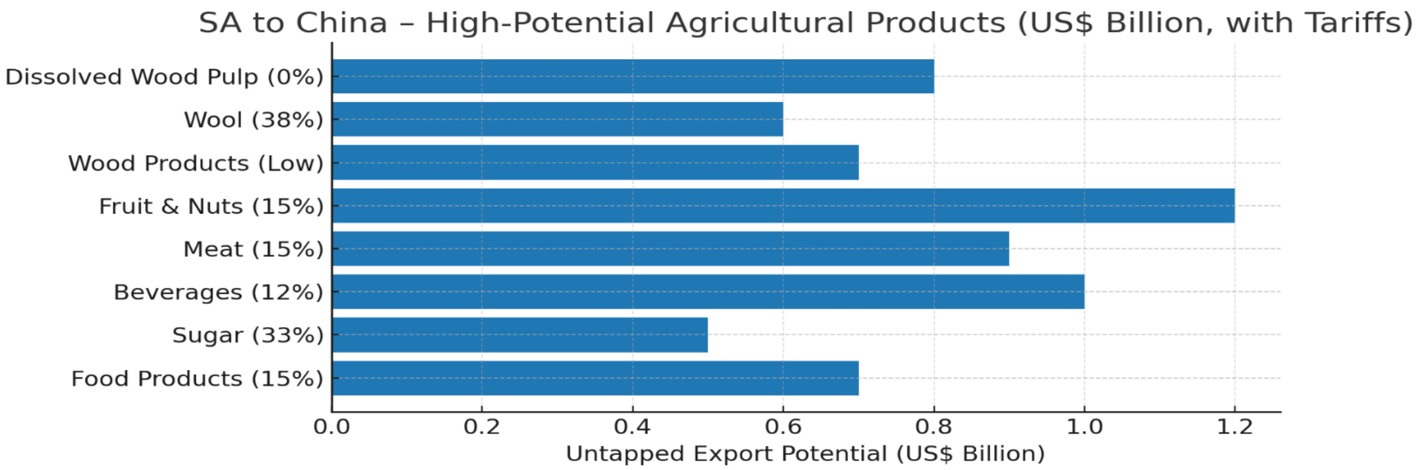


Figure 17 highlights South Africa's top untapped export categories.

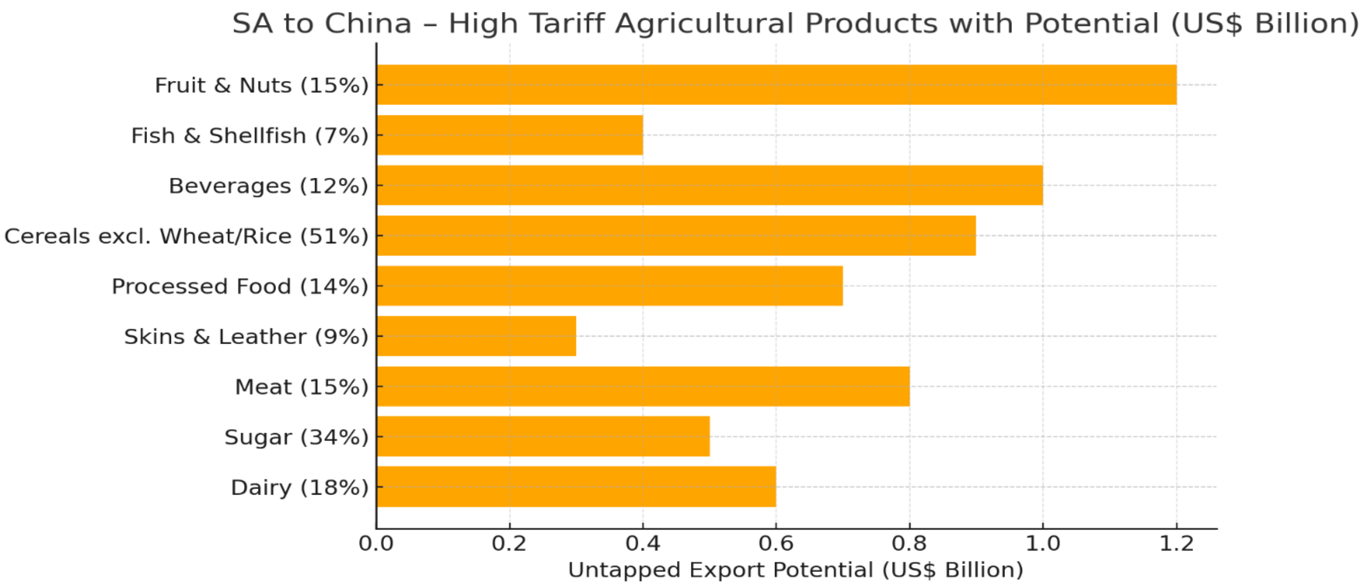


Figure 18 identifies those facing particularly high tariff barriers (above 30%) yet retaining significant growth potential.

The Realistic Export Opportunity (REO) analysis confirms these findings, identifying 127 product-level opportunities with a combined untapped potential of ZAR 48.4 billion. Of this, agriculture, forestry and fishing account for ZAR 18.3 billion, food products ZAR 12.7 billion, and paper products ZAR 8.1 billion. Despite the scale of opportunity, South Africa currently supplies less than 3% of China's global imports of these identified products (DSM, 2022).

3.7.4 China's Export Interests in South Africa

Chinese agricultural and agro-industrial exports to South Africa, valued at USD 1.1 billion in 2023, are concentrated in processed food, beverages, fertilisers, and agro-machinery. Untapped potential is estimated at USD 3.2 billion (ITC, 2024).

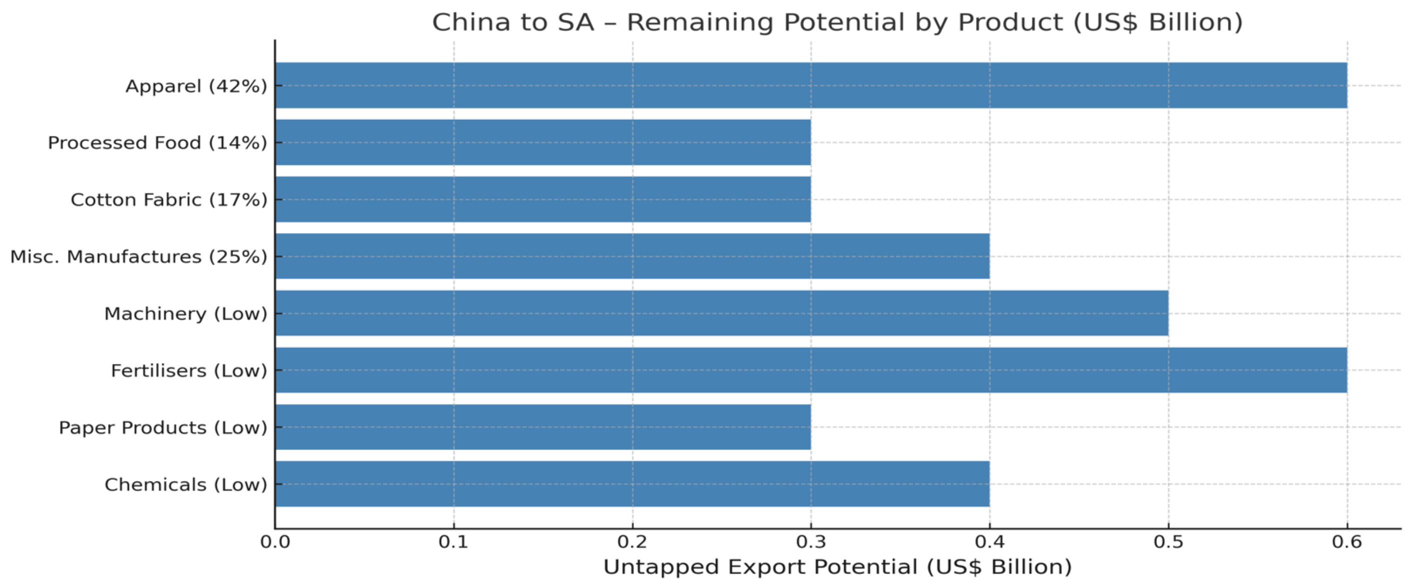


Figure 19 illustrates the distribution of China's untapped exports to South Africa.

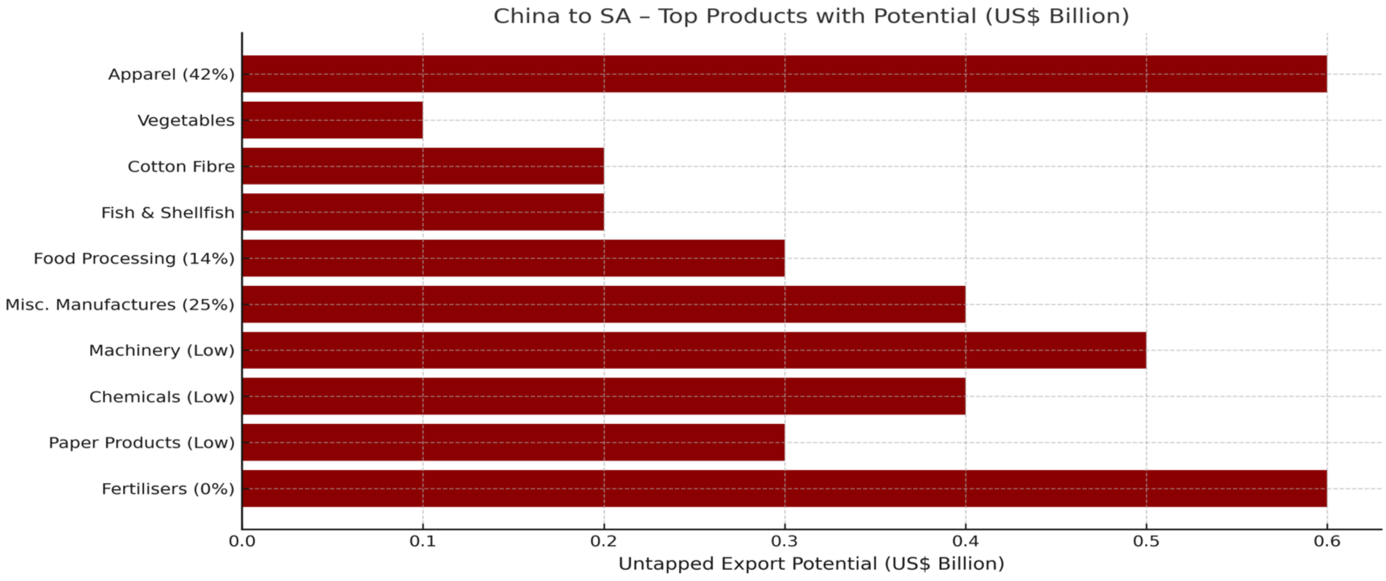


Figure 20 shows the top ten product categories, including processed foods, animal feed, fertilisers, beverages, wood, and machinery.

3.7.5 Mutual Interests and Trade Policy Considerations

The bilateral relationship is asymmetrical: South Africa holds a positive trade balance but is constrained by tariffs and SPS barriers, while China has broader interests in processed and industrial agricultural products.

For South Africa, priority products for improved access include fruits, nuts, wine, wool, and beef. For China, processed food, fertilisers, agro-machinery, and beverages are strategic exports. Negotiating within the BRICS framework or pursuing a bilateral preferential trade agreement could unlock significant opportunity, but South Africa remains disadvantaged relative to Chile, Australia, and New Zealand, which enjoy FTA benefits.

China is also an increasingly important e-commerce market, offering South African exporters a new channel for premium packaged products. Tapping into these platforms can help diversify away from bulk commodity exports.

3.7.6 Conclusion

China is the single most strategic agricultural export market for South Africa in Asia. The scale of untapped potential - nearly USD 8 billion - underscores the importance of securing SPS approvals and addressing tariff disadvantages. South Africa should prioritise fruit, wine, wool, and beef, while exploring digital retail avenues to reach Chinese consumers. While competition from FTA partners is intense, counter-seasonality, established product reputation, and BRICS membership provide leverage to expand access.

3.8 India - South Africa Agricultural Trade and Market Opportunities

3.8.1 Economic and Market Context

India is one of the fastest-growing major economies, with GDP growth estimated at 6.7% in 2023 by Moody's and projected above 7% for 2023-24 by the Reserve Bank of India, supported by robust domestic demand (Moody's, 2023; RBI, 2023). Agriculture remains India's largest employer, engaging 44% of the workforce, a higher proportion than in China (OECD, 2023).

The government prioritises food security through subsidies, minimum support prices, and fertiliser support, aiming for self-sufficiency in staple crops such as rice, wheat, and soya. Export restrictions on basic foods like wheat, sugar, and rice are often imposed to safeguard domestic stability, drawing criticism from WTO members (WTO, 2023).

The food processing sector is a key growth driver. Its value is expected to double by 2025, underpinned by rising disposable incomes, urbanisation, and a youthful consumer base (Fitch Solutions, 2024). This structural transformation is fuelling demand for diversified and premium foods, including fruit, nuts, beverages, juices, and processed products.

3.8.2 Bilateral Trade Performance

In 2023, South Africa exported USD 339 million of agricultural, forestry, and fisheries products to India, while imports from India reached USD 447 million (ITC, 2024). The trade balance thus tilts in India's favour.

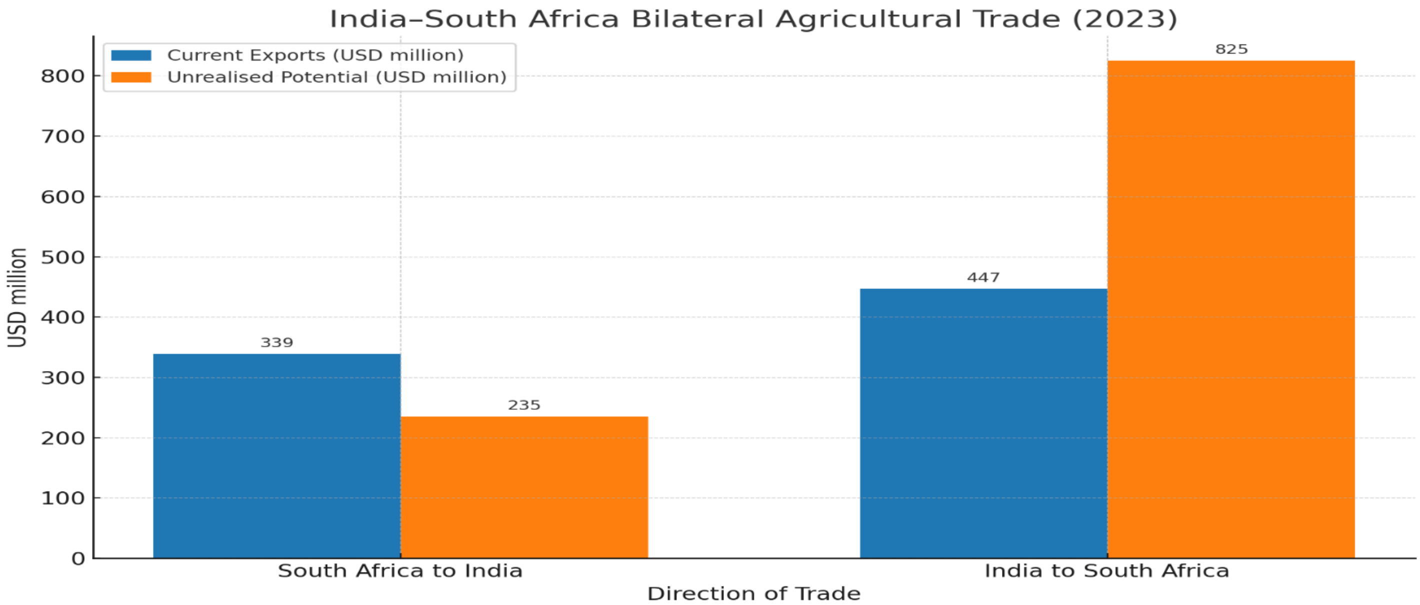


Figure 21 illustrates current versus unrealised trade potential. India's untapped agricultural export potential to South Africa (USD 825 million) is more than three times South Africa's untapped potential in India (USD 235 million).

South Africa's exports to India are concentrated in paper products, fruit, vegetable residues and animal feed, wood, sugar, and wool. India's export portfolio to South Africa is broader, spanning rice, apparel, processed food, chemicals, and textiles.

3.8.3 South Africa's Export Potential to India

South Africa's realised agricultural exports to India include fruit, sugar, wool, and paper products. The ITC (2024) identifies the largest untapped opportunities in fruit (USD 56 million), nuts, fertilisers, vegetable oils, and chemicals.

High Indian tariffs remain the primary constraint:

- Fruits (32%)
- Nuts (32%)
- Sugar (66%)
- Vegetable residues & animal feed (24%)
- Cereals (45%)
- Alcoholic beverages (12%)

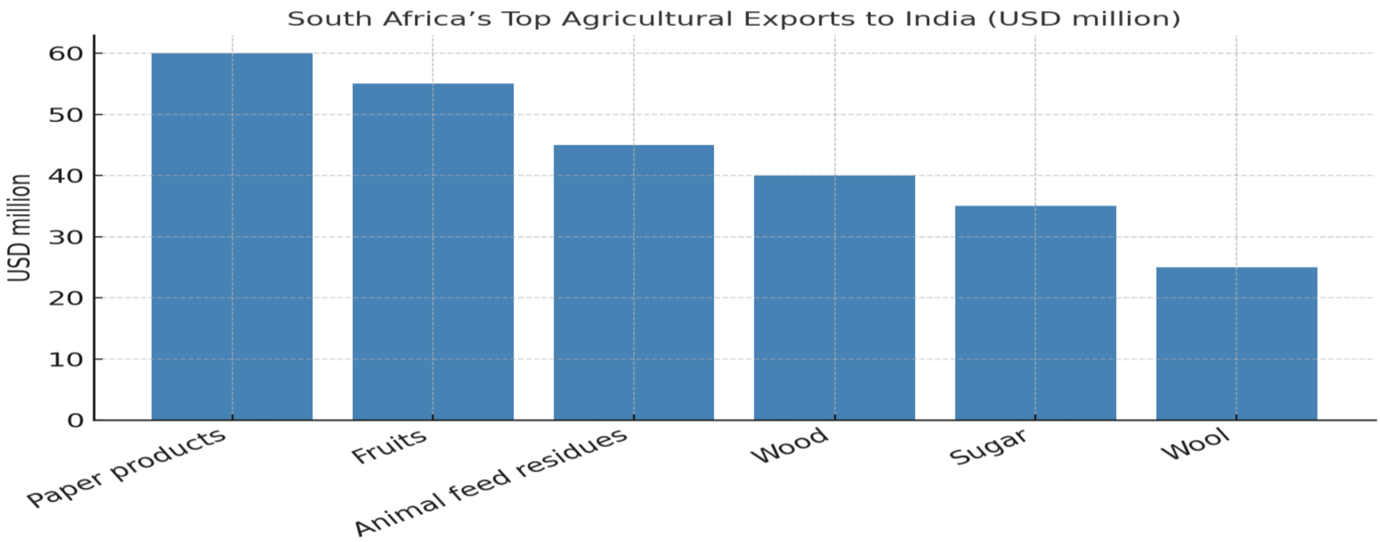


Figure 22 shows South Africa's main agricultural exports to India.

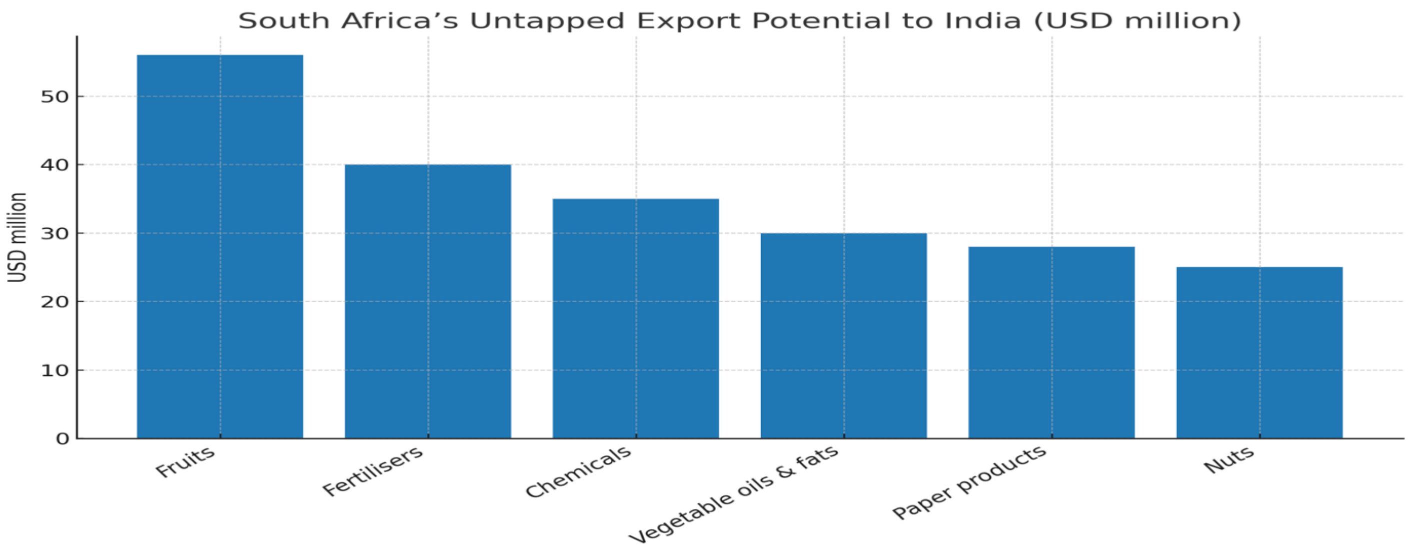


Figure 23 highlights untapped agricultural export potential.

Despite logistical bottlenecks in cold chain and distribution, South Africa is well placed in fruit and wine due to counter-seasonal supply and strong quality perceptions. Premium products such as juices, wine, and confectionary also align with India's expanding middle class.

3.8.4 India's Export Potential to South Africa

India's agricultural exports to South Africa totalled USD 447 million in 2023, led by rice, spices, processed food, fish, apparel, and chemicals. Its untapped potential of USD 825 million is concentrated in sectors where South Africa applies moderate to high tariffs:

- Apparel (43%)
- Home textiles (81%)
- Cotton fabrics (17%)
- Processed food (14%)
- Sugar (44%)
- Motor vehicles and parts (16%)
- Skins and leather (18%)

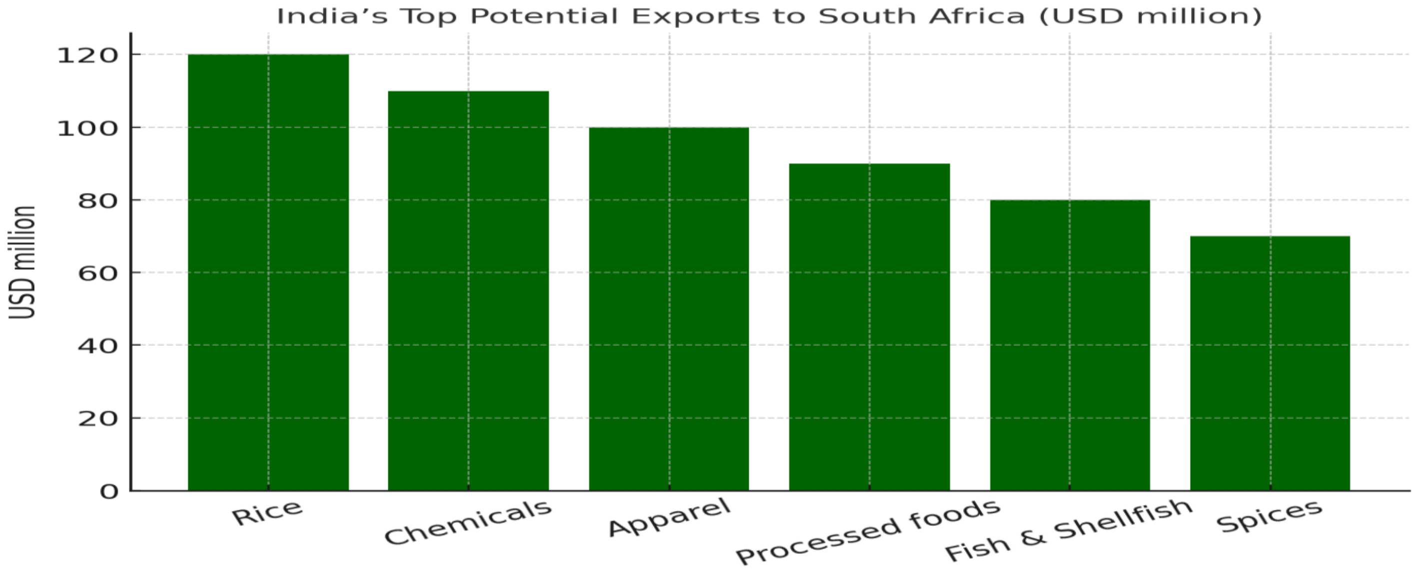


Figure 24 illustrates India's top potential agricultural exports to South Africa.

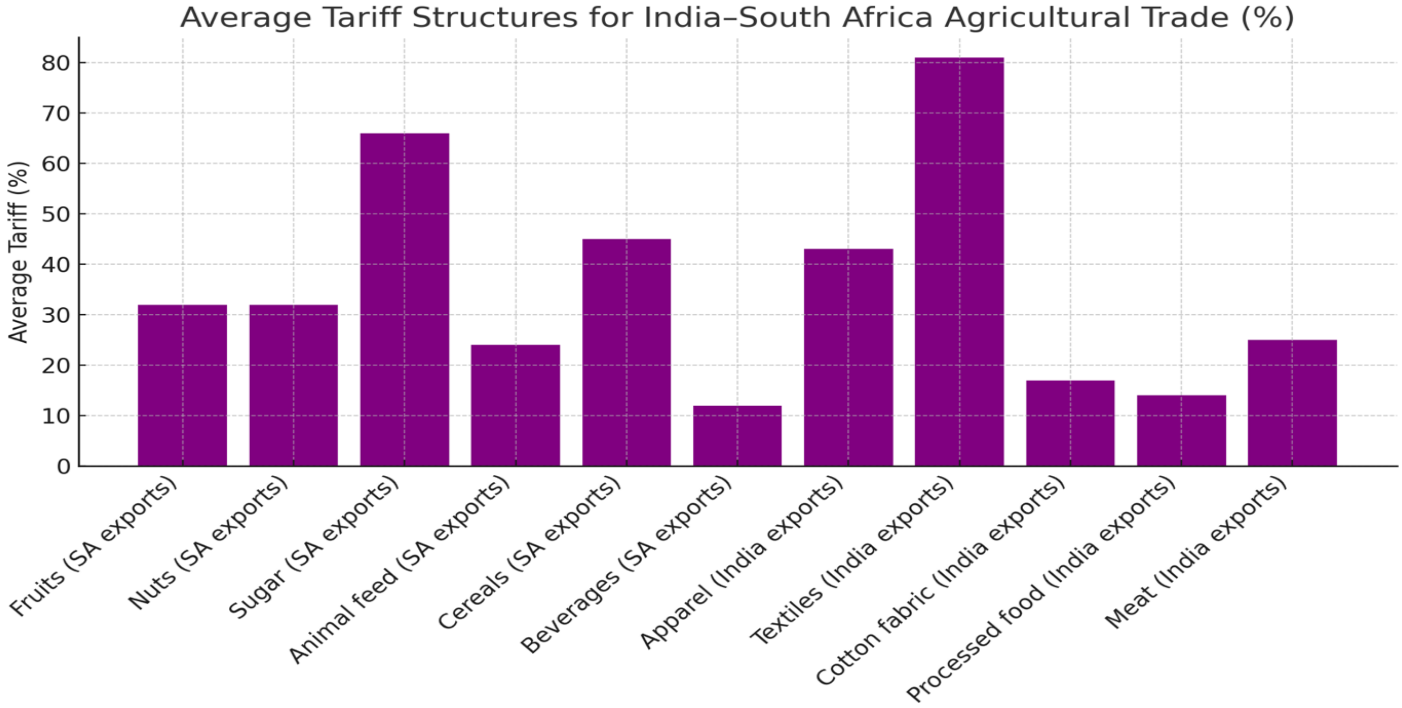


Figure 25 compares average tariff structures across priority products.

This breadth of opportunity suggests that India stands to gain considerably more from trade liberalisation than South Africa.

3.8.5 Mutual Interests and Trade Policy Considerations

The trade relationship is asymmetric. South Africa's opportunities in India are concentrated in fruit, nuts, beverages, and animal feed, while India's portfolio spans a much wider range.

For South Africa, the priority is to negotiate tariff reductions on fruit, nuts, and wine, and to secure sanitary and phytosanitary (SPS) recognition for meat and other sensitive products. For India, securing improved access for rice, apparel, processed food, and textiles is central.

The REO (DSM) analysis (2020) highlighted 61 products with ZAR 9.98 billion in untapped export potential into India, particularly in food, chemicals, and agriculture, reinforcing the scale of underutilised opportunities.

3.8.6 Conclusion

India represents a strategic but highly asymmetric trade partner. While South Africa can expand exports in niche, consumer-focused categories such as fruit, nuts, juices, and wine, India's broader portfolio and tariff structure mean it would likely capture greater gains from liberalisation.

To maximise benefits, South Africa must focus on:

- Securing tariff reductions for priority products (fruit, nuts, wine).
- Gaining SPS approvals for animal protein exports.
- Leveraging complementarities in counter-seasonal supply.

India's large, growing, and price-sensitive consumer market makes it a priority target, but without preferential access South African exporters will remain uncompetitive against global suppliers such as the US, EU, and Chile.

3.9 Philippines - South Africa Agricultural Trade and Market Opportunities

3.9.1 Economic and Market Context

The Philippines is one of Asia's fastest-growing food markets, with consumption forecast to expand by about 7% annually between 2024 and 2028 (Statista, 2024). Bread and cereals remain staple food categories, while rising disposable incomes, urbanisation, and a youthful demographic profile are driving strong demand for protein-rich foods, including meat, fish, poultry, and dairy (Fitch Solutions, 2024). Alcoholic beverages are gaining popularity, reflecting shifting middle-class lifestyles, while convenience and packaged foods are increasingly consumed in urban centres.

Inflationary pressures constrain discretionary spending among lower-income households, but growing health awareness is increasing fruit consumption, which aligns with South Africa's export strengths in citrus, table grapes, and pome fruit. Demand for animal feed complements South Africa's cereal and feed industries. Distribution remains dualistic: traditional wet markets dominate rural areas, but modern retail formats are expanding rapidly in cities.

3.9.2 Bilateral Trade Performance

In 2023, South Africa exported agricultural, forestry, and fisheries products worth USD 27.5 million to the Philippines, with an additional untapped potential of USD 57.9 million (ITC, 2024). By contrast, the Philippines exported USD 7.5 million in agro-based products to South Africa, with USD 16.1 million in untapped potential. The bilateral trade balance favours South Africa by a ratio of 3.5:1.

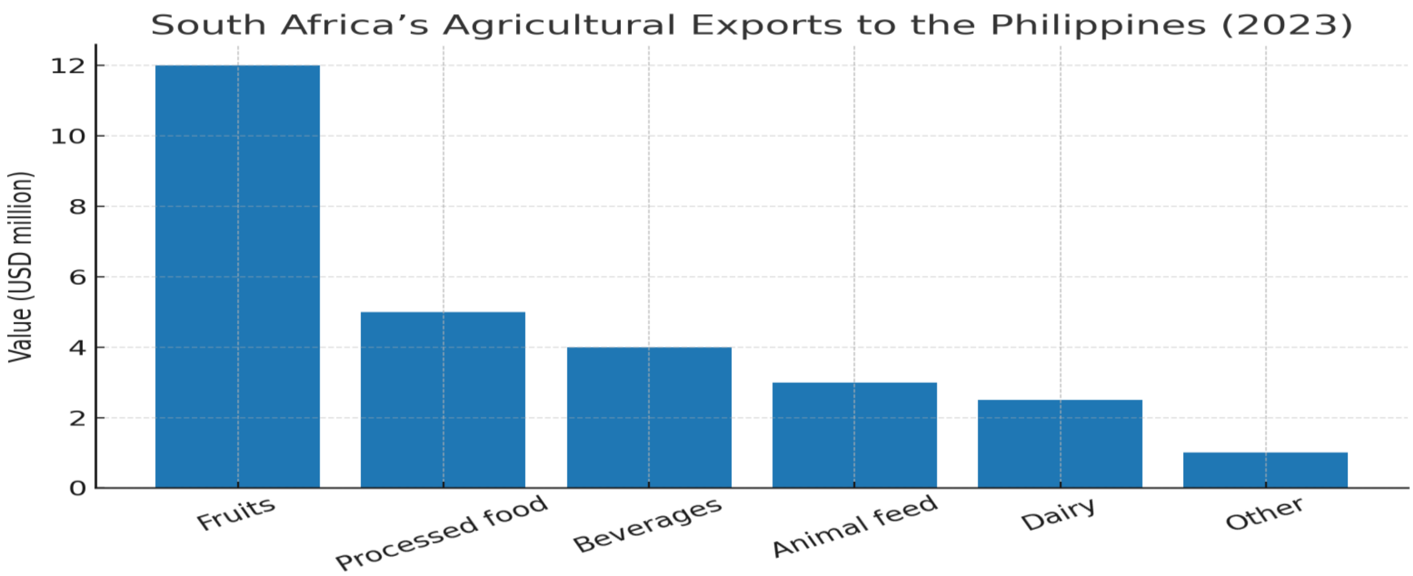


Figure 26 shows South Africa's agricultural export composition to the Philippines.

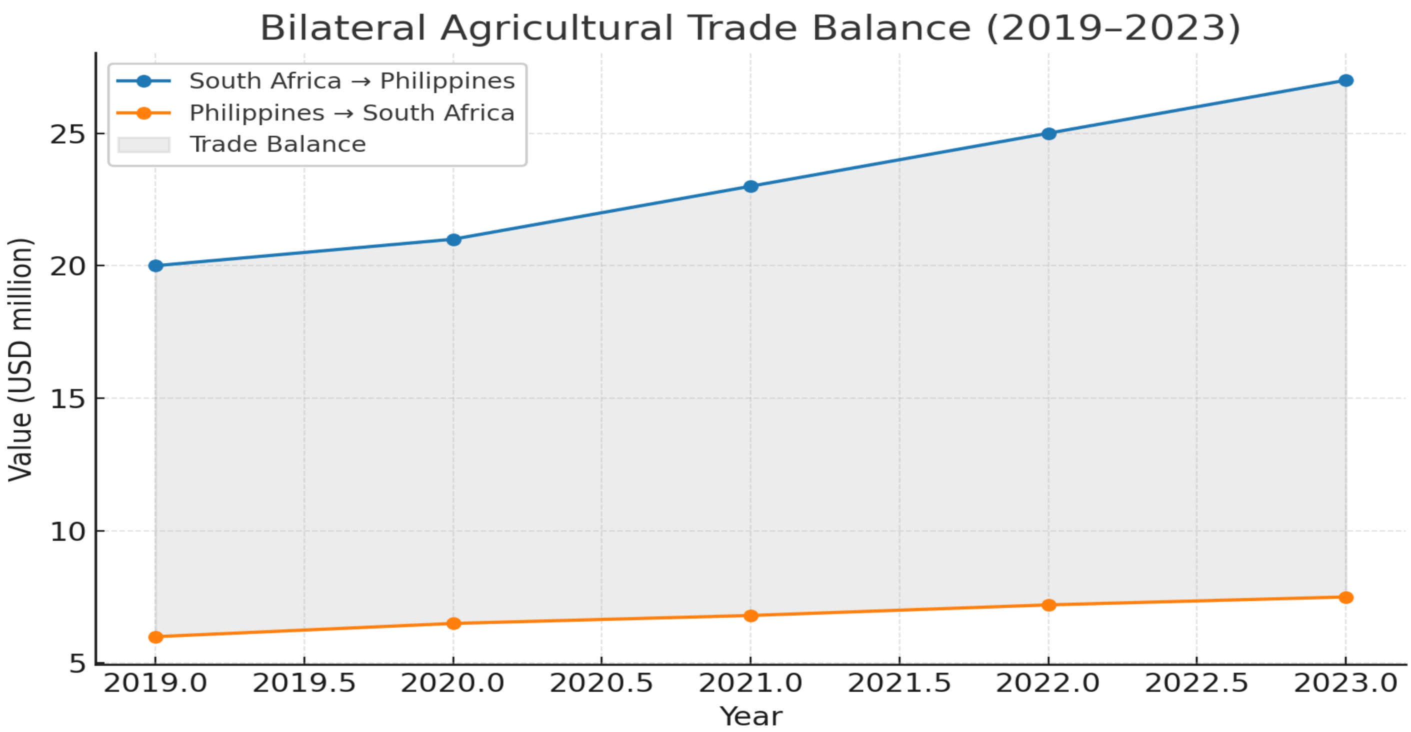


Figure 27 illustrates the overall bilateral trade balance.

3.9.3 South Africa's Export Potential to the Philippines

Fruit dominates South Africa's export opportunities, accounting for 54% of untapped potential (USD 31 million). Other significant categories include processed food, beverages, animal feed, and dairy. Average tariffs are moderate but non-negligible: fruit (8%), processed food (12%), beverages (11%), feed (3.5%), and dairy (17%). Higher tariff peaks apply to cereals (24%), meat and poultry (19%), and sugar (44%) (ITC, 2024).

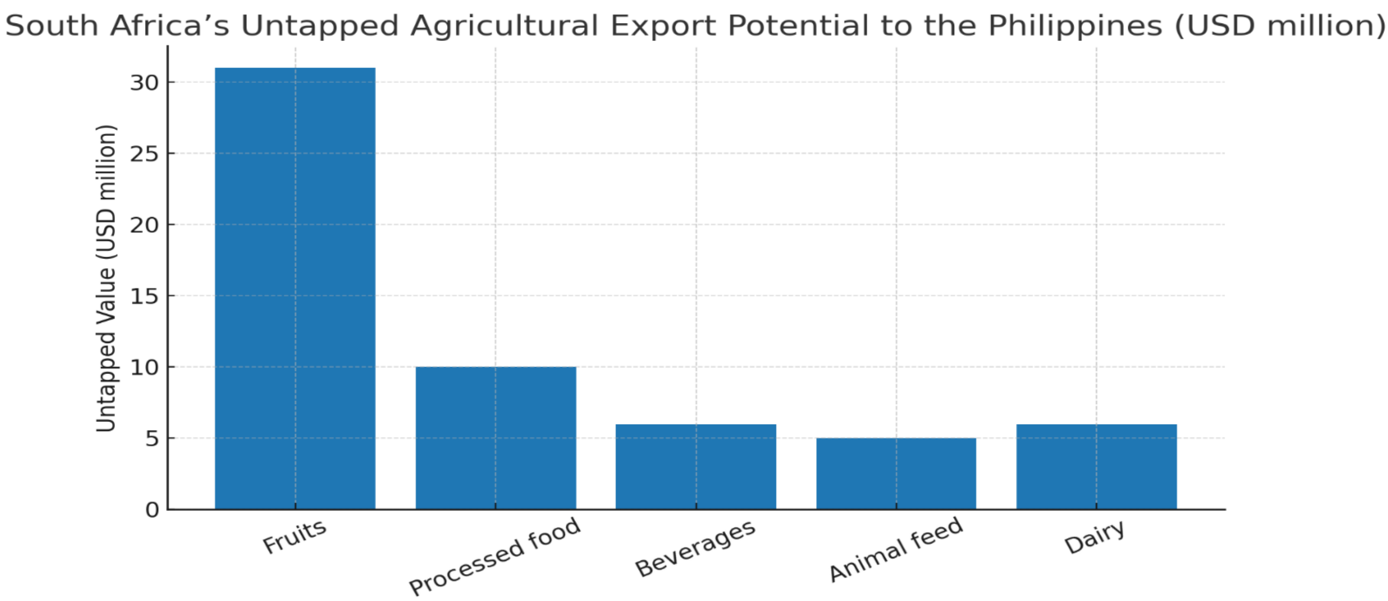


Figure 28 highlights South Africa's untapped export potential by product category.

The REO (DSM) model identified 57 product-level opportunities with a combined ZAR 2.63 billion untapped potential. Agriculture, forestry, and fishing accounted for ZAR 843.9 million across 10 products, followed by food processing (ZAR 384.9 million across 20 products) and paper products (ZAR 410.2 million across seven products). South Africa currently supplies less than 2% of the Philippines' imports in these categories, underscoring the growth scope.

3.9.4 Philippines' Export Interests in South Africa

Philippine agricultural exports to South Africa remain modest but are concentrated in processed food, fruits, vegetable oils, fish, leather, wood, and apparel. The untapped potential of USD 16.1 million is limited by South Africa's relatively high tariffs: apparel (43%), processed food (14%), leather (18%), and wood (14%).

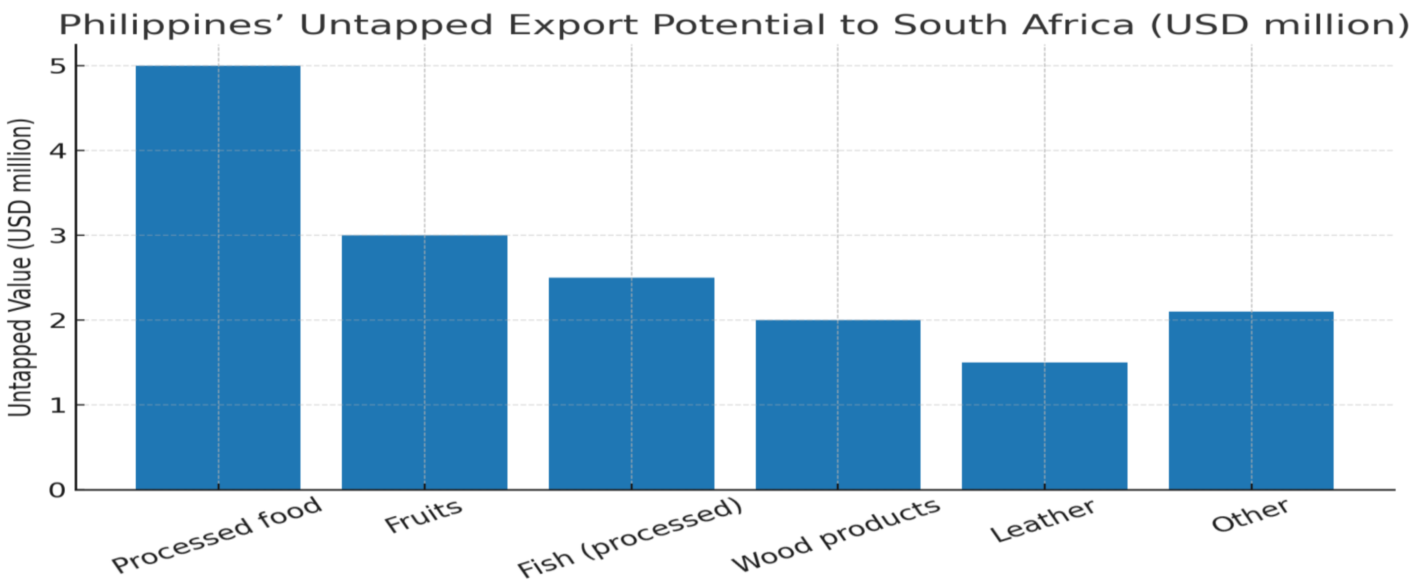


Figure 29 shows the Philippines' untapped agricultural export potential to South Africa.

3.9.5 Pork Export Priorities

The Philippines is a priority market for South Africa's pork industry, with export potential estimated at ZAR 309 million (DALRRD, 2023). Realisation depends on the Philippines' acceptance of South Africa's compartmentalised biosecurity system for managing African Swine Fever and Foot and Mouth Disease risks. Tariffs on pork average 7.5%, making regulatory approvals the critical barrier to entry.

3.9.6 Supplementary Insights

Beyond fruit and pork, South Africa could benefit from the Philippines' growing demand for convenience foods and processed goods. Consumer shifts towards packaged food, non-alcoholic beverages, and premium products align with South Africa's agro-processing capabilities. The Philippines is also increasingly a re-export hub within ASEAN, meaning South African exports of fruit and meat could gain extended regional reach through Philippine distributors.

3.9.7 Conclusion

The Philippines presents a diversified set of agricultural opportunities for South Africa. Fruit, processed food, beverages, and pork are the most promising export categories, with additional scope in animal feed and dairy. While tariff barriers constrain competitiveness, especially relative to ASEAN suppliers, South Africa maintains a favourable trade balance and clear comparative advantages. Future trade negotiations should focus on tariff liberalisation for fruit and wine, SPS recognition for pork, and gradual market access concessions for Philippine processed foods and apparel.

3.10 Indonesia - South Africa Agricultural Trade and Market Opportunities

3.10.1 Economic and Market Context

Indonesia is the largest economy in Southeast Asia and a G20 member, with agriculture continuing to play a central role in employment, rural livelihoods, and export earnings. With a population exceeding 270 million, strong urbanisation trends, and rising disposable incomes, Indonesia is one of the world's largest consumer markets for food. Cereals, particularly rice, remain staple foods, but dietary shifts towards protein-rich products are evident, with demand for poultry, beef, fish, and dairy expanding rapidly (World Bank, 2023; OECD-FAO, 2024).

Food consumption patterns are also changing in line with health and convenience trends, driving increased imports of fruits, beverages, and processed foods. While the Indonesian government has initiated gradual liberalisation, the agricultural sector remains heavily protected by tariff and non-tariff measures aimed at shielding domestic producers (WTO, 2024).

3.10.2 Bilateral Trade Performance

Agricultural trade between South Africa and Indonesia remains underdeveloped relative to market potential. In 2023, South Africa exported agricultural value chain products worth approximately USD 9.7 billion to Indonesia, while untapped potential was valued at an additional USD 26.2 billion - more than double current export levels. Conversely, Indonesia exported USD 3.8 billion in agricultural and agro-based products to South Africa, with a further USD 7.1 billion in untapped potential (ITC, 2024).

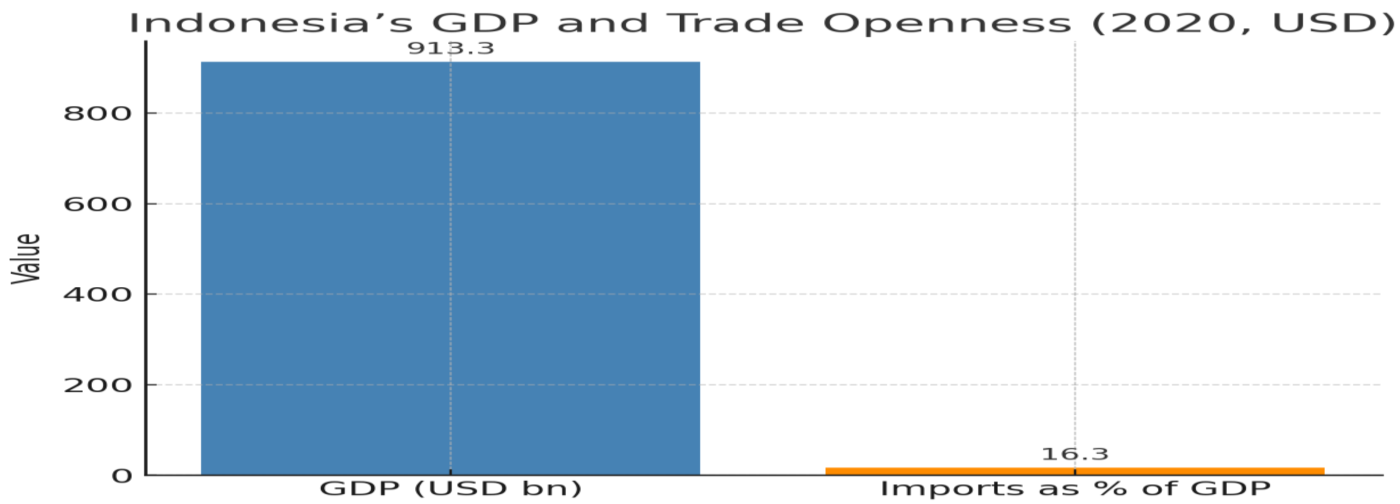


Figure 30 illustrates Indonesia's GDP growth and trade openness as drivers of food demand.

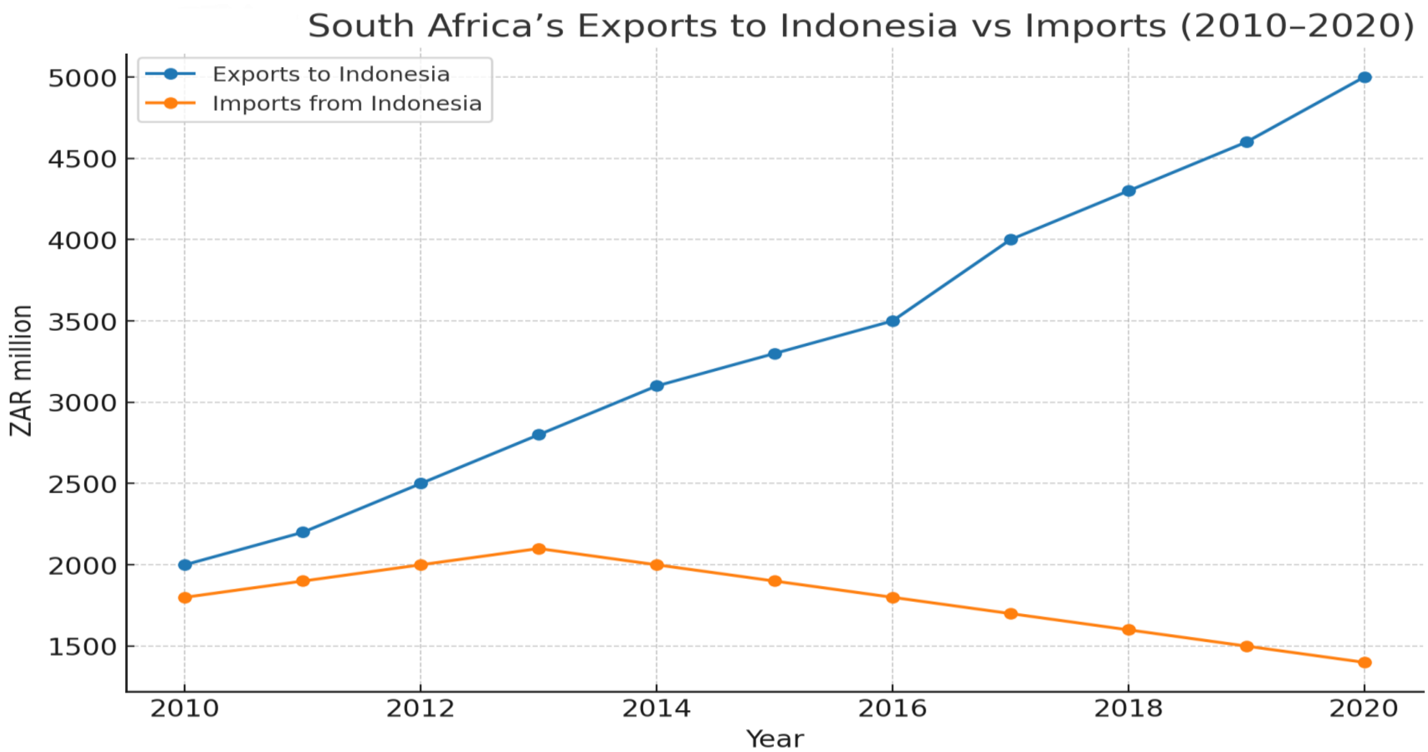


Figure 31 presents South Africa's exports to Indonesia compared with imports over the past decade, highlighting steady but under-realised growth.

3.10.3 South Africa's Export Potential to Indonesia

The Decision Support Model (DSM) identifies fruit as South Africa's strongest opportunity in the Indonesian market, accounting for more than 40% of potential additional trade. Other key categories include processed food, beverages, dairy, and animal feed, aligning with Indonesia's shifting consumption patterns towards higher-value products.

Growing demand for animal protein presents further opportunities for South African beef, lamb, and pork exports, provided sanitary and phytosanitary (SPS) and halal certification protocols are addressed. Dairy powders and feed ingredients also represent viable entry points. In addition, Indonesia's expanding middle class is fuelling increased demand for wine and premium beverages, where South Africa can leverage its competitive advantage.

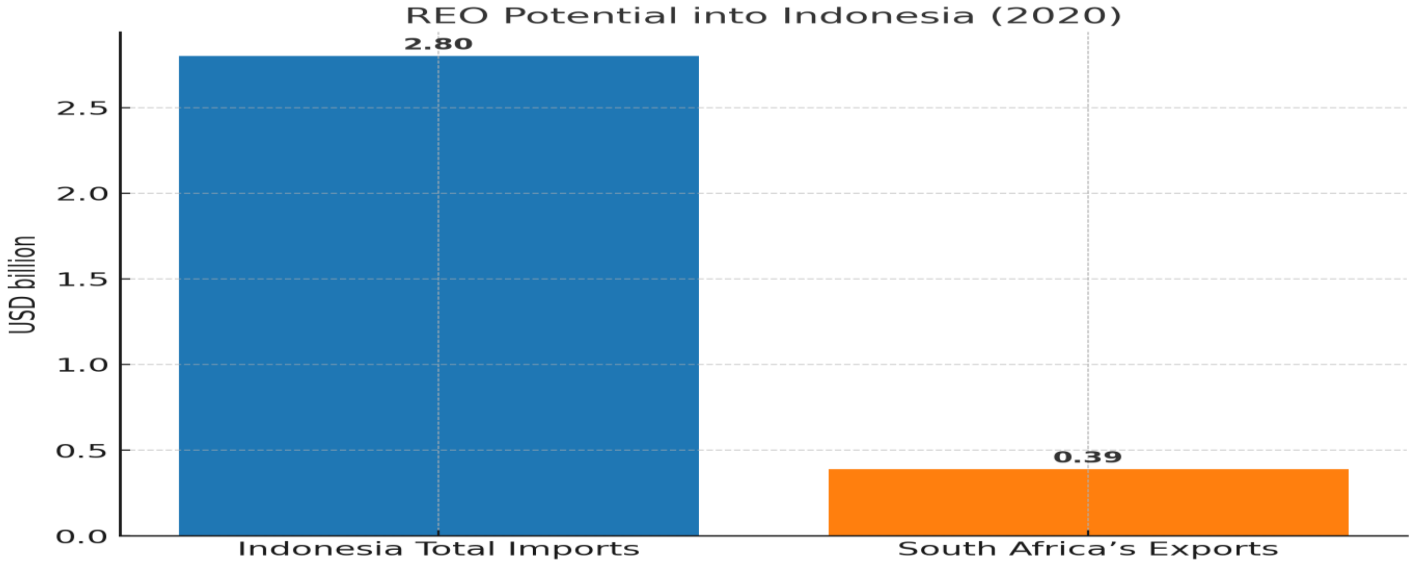


Figure 32 shows the relative trade potential of South Africa's realistic export opportunities (REOs) into Indonesia.

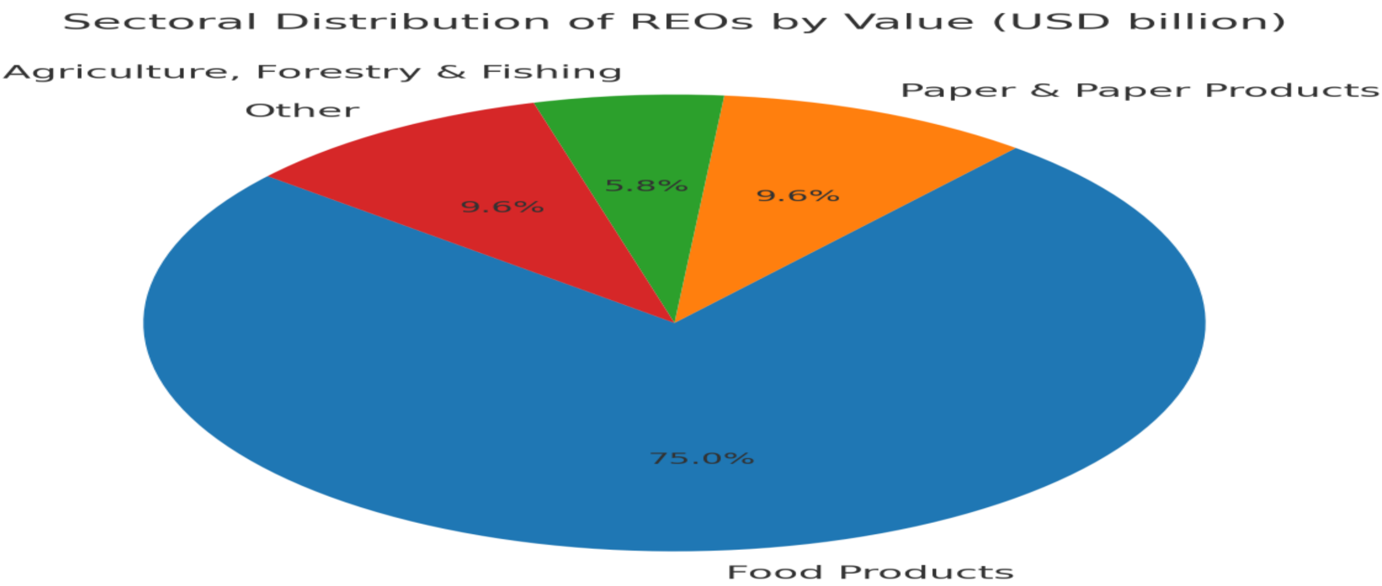


Figure 33 illustrates the sectoral distribution of REOs, emphasising the dominance of fruit, followed by processed foods and beverages.

Tariff barriers remain a constraint. Average duties are high for cereals (26%), meat (20%), and sugar (35%), but relatively moderate for fruit (8%), animal feed (4%), and dairy (16%), positioning these as feasible growth sectors for South African exporters (ITC, 2024).

3.10.4 Indonesia's Export Interests in South Africa

Indonesia's main agricultural export interest lies in palm oil, where it has a strong global comparative advantage. Other key products include wood products, textiles, footwear, and processed foods. Palm oil is the dominant category but faces increasing scrutiny in South Africa and Europe due to sustainability concerns. Indonesia's untapped agricultural export potential to South Africa is valued at approximately USD 7.1 billion, spread across these industries.

3.10.5 Mutual Interests and Trade Policy Considerations

The agricultural trade relationship between South Africa and Indonesia is asymmetric but complementary. South Africa's strength lies in counter-seasonal fresh produce and value-added agro-processing, while Indonesia dominates in bulk commodities such as palm oil and rubber. Addressing tariff peaks and negotiating improved SPS frameworks, including halal certification for meat and dairy, would be critical to unlocking the full scale of opportunities.

Indonesia remains one of the most protected agricultural markets in Asia, with high tariffs and complex non-tariff measures restricting access. According to the Consolidated Trade Opportunity Report (2021), horticultural products, citrus, and wine face particularly high barriers. Nevertheless, Indonesia's large population and sustained consumption growth reinforce its importance as a priority market. Liberalisation would create new opportunities for South African exporters, particularly in processed foods, meat, and high-value horticultural products (DTIC, 2021).

3.10.6 Conclusion

Indonesia presents a strategically important but moderately protected agricultural market for South Africa. The greatest potential lies in fruit, processed foods, beverages, dairy, and feed. Realising this potential will depend on reducing tariff and SPS barriers and pursuing bilateral cooperation or preferential agreements. Despite regulatory hurdles, the scale of Indonesia's consumer base, growing middle class, and structural demand for protein and premium products make it a critical long-term opportunity for South African exporters.

3.11 Malaysia - South Africa: Agricultural Trade and Market Opportunities

3.11.1 Economic and Market Context

Malaysia is a dynamic South-East Asian economy with an open trade regime and high dependence on food imports due to limited arable land (FAO, 2023). Rising disposable incomes, rapid urbanisation, and dietary diversification are driving demand for higher-value agricultural products such as fruit, dairy, and processed foods. As a regional trans-shipment hub, Malaysia also serves as a gateway into the wider ASEAN market, making it a strategically important partner for South Africa (WTO, 2023).

While Malaysia generally applies relatively low tariffs on agricultural imports, sensitive products such as dairy and meat continue to face high tariffs and regulatory barriers. Compliance with halal certification requirements is critical across food categories, reflecting Malaysia's role as a global halal hub (DTIC, 2021).

3.11.2 Bilateral Trade Performance

South Africa's agricultural exports to Malaysia are led by fruit - particularly citrus, grapes, apples, and pears - supported by strong complementarities between counter-seasonal supply and Malaysia's year-round demand. Wine, processed foods, and animal feed residues also account for growing shares of exports (ITC, 2023).

Malaysia's exports to South Africa are dominated by palm oil, processed foods, and rubber-based products, while bilateral trade has shown steady growth over the past five years. South Africa has maintained a positive trade balance in agricultural goods.

Figure 34: Composition of South Africa's agricultural exports to Malaysia.

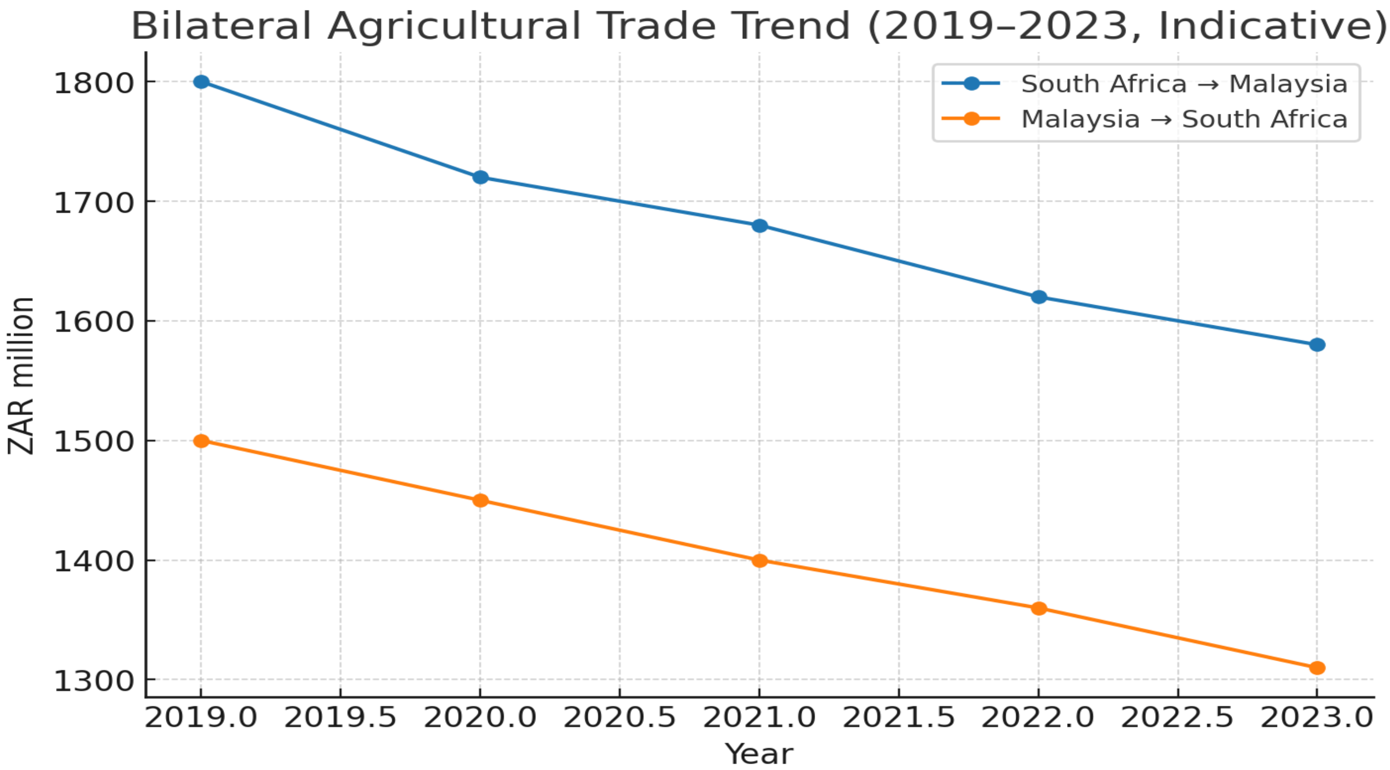


Figure 35: Bilateral agricultural trade between South Africa and Malaysia, 2019-2023.

3.11.3 South Africa's Export Potential to Malaysia

The Decision Support Model (DSM) identifies more than USD 450 million in untapped agricultural export potential to Malaysia, concentrated in fruit, processed foods, beverages, and dairy products (DSM, 2022; ITC, 2023).

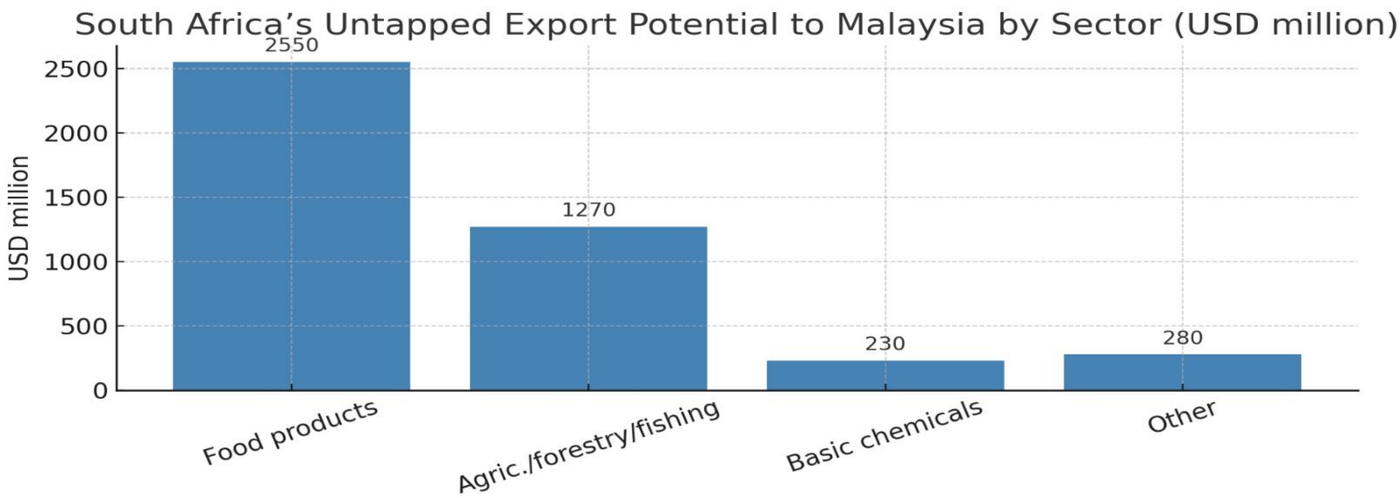


Figure 36: South Africa's untapped agricultural export potential to Malaysia by sector.

Key opportunities include:

- **Fruit and citrus**: Strong alignment with consumer demand and counter-seasonal supply.
- **Processed foods and beverages**: Supported by middle-class lifestyle changes and convenience trends.
- **Animal feed and dairy**: Medium-term prospects provided tariff and certification barriers are addressed.
- **Wine and premium beverages**: Growing middle-class and youth segments are increasingly receptive to imported luxury products.

3.11.4 Malaysia's Export Interests in South Africa

Malaysia's main agricultural and agro-based export to South Africa is palm oil, where it has a global competitive advantage. Other key categories include processed foods, wood products, and rubber-based products. Collaborative opportunities exist in sustainable palm oil certification and value chain integration, particularly as sustainability concerns rise in both South African and global markets (UN Comtrade, 2023).

3.11.5 Tariff and Market Access Considerations

Malaysia applies average tariffs of 5-10% on fruit and beverages, offering favourable terms for South Africa. However, tariffs remain higher in dairy (15-20%), poultry (above 25%), and cereals (around 20%). Non-tariff measures - particularly halal certification requirements and technical barriers to trade (TBTs) - are significant considerations for South African exporters.

As Malaysia is both a consumption market and a re-export hub, securing halal certification would allow South Africa to access broader regional demand in the Middle East and Asia. This reinforces Malaysia's role not only as a direct market but also as a gateway for halal-compliant products.

3.11.6 Mutual Interests and Trade Policy Considerations

South Africa's key interests in Malaysia lie in fruit, citrus, wine, processed foods, and animal feed, while Malaysia seeks to expand palm oil and processed food exports to South Africa. Both countries could benefit from cooperation in halal certification systems, SPS alignment, and sustainable value chains.

The absence of a preferential trade agreement constrains South Africa's competitiveness against ASEAN suppliers who enjoy lower tariffs. Negotiations on tariff concessions and SPS facilitation would significantly strengthen South Africa's foothold in the Malaysian market (DTIC, 2021).

3.11.7 Conclusion

Malaysia offers South Africa significant agricultural export opportunities, particularly in fruit, processed foods, wine, dairy, and feed. Its position as a halal hub and ASEAN gateway further enhances its strategic value. However, tariff peaks, certification barriers, and competition from regional suppliers remain obstacles. A targeted engagement strategy focusing on halal compliance, SPS alignment, and niche value chains could unlock considerable opportunities while positioning South Africa as a reliable supplier to both Malaysia and the broader region.

3.12. Overall Conclusion: Country-Level Agricultural Trade Opportunities

The country-level analysis demonstrates that South Africa faces a heterogeneous set of agricultural trade opportunities across Asia and the Middle East. The Gulf markets (United Arab Emirates and Saudi Arabia) represent the most immediate and attainable opportunities, owing to their structural food import dependence, relatively low tariffs, and clear complementarities with South Africa's counter-seasonal fruit and meat exports. Both countries offer the added advantage of long-term food security partnerships and co-investment potential, which could extend beyond market access into infrastructure and value chain development.

In North-East Asia, Japan and South Korea present high-value but heavily protected markets. Tariff peaks and slow-moving sanitary and phytosanitary (SPS) approvals constrain competitiveness, especially given the preferential access enjoyed by South Africa's rivals through existing free trade agreements. Nonetheless, untapped potential remains significant in fruit, beverages, meat, and pork exports, provided that SPS protocols are prioritised and promotional strategies position South Africa as a reliable counter-seasonal supplier.

China and India constitute South Africa's largest and most strategic but also most asymmetric partners. Both markets are marked by high protectionism, tariff escalation, and complex regulatory barriers. China offers the greatest scale of untapped potential-estimated at nearly USD 8 billion-but SPS and tariff disadvantages relative to competitors limit penetration. India presents a more asymmetric profile, with South Africa's opportunities concentrated in fruit, nuts, and beverages, while India seeks broader market access in apparel, rice, and processed foods. In both cases, trade liberalisation would create larger gains for the Asian partners than for South Africa, underscoring the need for a cautious and targeted engagement strategy.

Among ASEAN members, Vietnam, the Philippines, Indonesia, Thailand, and Malaysia present growing consumption-driven markets but remain characterised by high tariffs, entrenched competitors, and complex SPS regimes. Vietnam and the Philippines offer the strongest short-term potential, particularly in fruit, pork, and wine, with Vietnam also serving as a regional re-export hub. Indonesia and Thailand remain among the most protectionist agricultural markets in Asia, though their population scale and consumption growth ensure long-term importance. Malaysia represents a more open and strategically valuable partner, both as a consumption market and as a halal re-export hub into ASEAN and the Middle East.

Across all countries, three themes recur. First, tariff disadvantages relative to competitors with preferential agreements severely undermine South Africa's price competitiveness, particularly in East and South-East Asia. Second, SPS and halal recognition represent the most immediate barriers to scaling exports, with fruit, meat, and pork industries consistently identifying them as priorities. Third, South Africa's logistical constraints-notably port inefficiencies and cold-chain weaknesses-risk undermining competitiveness in quality- and timeliness-sensitive markets.

In summary, the Gulf markets (UAE and Saudi Arabia) should be prioritised as cornerstone partners given their structural import dependence, openness, and investment appetite. North-East Asia (Japan and South Korea) offers high-value but challenging opportunities, best approached through SPS cooperation and sectoral promotion. China and India, while strategic, require cautious engagement due to asymmetrical benefits and high barriers. ASEAN partners provide important long-term diversification opportunities, with Vietnam, the Philippines, and Malaysia offering the most promising near-term potential.

This assessment provides the international trade opportunity baseline against which the domestic industrial perspectives articulated in South Africa's sectoral masterplans must now be considered. The following section evaluates how agricultural interests intersect with other sectors, identifying where consensus or conflict exists on pursuing preferential trade agreements with Asian and Middle Eastern partners.

4. Cross-sector Masterplan Analysis

The country-level trade opportunity assessments underscore both the scale of potential gains for South Africa's agricultural sector and the structural challenges that constrain competitiveness. While agricultural exports demonstrate strong complementarities with demand trends across Asia and the Middle East, trade outcomes will ultimately be shaped by broader national strategies that extend beyond agriculture alone. Tariff liberalisation, SPS recognition, and investment partnerships cannot be pursued in isolation; they require coordinated negotiation positions that reconcile the interests of multiple sectors within South Africa's economy.

It is within this context that the government's sectoral masterplans-covering agriculture, agro-processing, poultry, sugar, automotive, and other strategic industries-become critical. These masterplans articulate South Africa's domestic industrial policy priorities and provide the framework through which external trade negotiations must be calibrated. Importantly, they highlight areas where sectoral interests converge in support of deeper integration with Asian markets, as well as areas where potential conflicts arise, such as where liberalisation may expose sensitive industries to import competition.

The following section examines the cross-sectoral masterplans in detail, with a view to identifying points of alignment and divergence between agricultural trade opportunities and South Africa's wider industrial strategy. This analysis provides the necessary foundation for integrating the agricultural opportunity assessments into a coherent national trade negotiation approach.

4.1 Methodology

This report is based on a targeted review of South Africa's sectoral master plans, with a specific focus on trade-related themes. The objective was not to assess the plans in their entirety, but to extract insights directly relevant to international trade, localisation strategies, and industrial protection measures. Particular emphasis was placed on how these plans engage with countries in the Middle East and Far East.

The review followed five stages:

4.1.1 Selection of Master Plans

A set of priority master plans was identified based on their economic significance and relevance to trade. The sectors reviewed include:

- Automotive
- Poultry
- Sugar
- Agro-processing
- Clothing, Textiles, Footwear and Leather (CTFL)
- Furniture
- Steel and Metal Fabrication
- Medical Technology (MedTech)
- Creative and Cultural Industries (CCI)
- Global Business Services (GBS)
- Forestry

4.1.2 Extraction of Trade-Related Content

Each plan was analysed for export targets, localisation ambitions, import sensitivities, and investment strategies linked to trade performance. Both explicit objectives and implicit signals regarding global competitiveness were considered.

4.1.3 Identification of Country-Specific References

References to Middle Eastern and Far Eastern markets were assessed for export potential, risks, and protectionist concerns. Non-tariff barriers, standards compliance, and logistics challenges were also taken into account.

4.1.4 Assessment of Trade-Offs

Sectoral positions were evaluated to determine the likelihood of supporting or resisting liberalisation with these regions. The findings were compared across sectors to highlight areas of alignment, conflict, or neutrality, forming the basis for identifying strategic trade-offs.

4.1.5 Synthesis into a Policy Narrative

Findings were consolidated into a coherent policy narrative to guide the prioritisation of export markets, sequencing of trade agreements, and balancing of domestic industrial objectives with international trade goals.

By anchoring the analysis in the structure and language of the sectoral master plans, this methodology provides a practical, evidence-based framework for informing South Africa’s trade policy decisions.

4.2 Sectoral Insights on Trade Priorities and Protectionism

4.2.1 Localisation and Import Sensitivities

Localisation emerges as a central theme across all of the master plans reviewed. The sectors consistently emphasise the need to expand domestic production capacity, strengthen local supplier networks, and reduce reliance on imports. This emphasis reflects both industrial development priorities and concerns about exposure to low-cost foreign competition, particularly from Asian economies.

In the **sugar sector**, ambitious local procurement targets have been established, with industrial users and retailers committing to sourcing between 80 and 95 per cent of sugar domestically. The sector is protected by tariff measures and anti-dumping duties, which are regarded as indispensable to maintaining viability. Similarly, the **automotive sector**, although deeply integrated into global value chains, has set a goal of increasing local content in vehicle production from 38.7 per cent to 60 per cent by 2035. Strengthening domestic supplier development is identified as the key mechanism to achieve this target, supporting both localisation and competitiveness in export markets.

The **clothing, textiles, footwear and leather (CTFL) sector** has committed to achieving 65 per cent local procurement by 2030. The plan highlights particular concerns about under-invoiced and illegally imported goods, implicitly identifying Asian producers such as China, India and Vietnam as major competitive threats. The **agro-processing sector** also pursues import substitution by reducing dependence on essential imported inputs such as fertilisers and poultry feed, while promoting greater domestic value addition through expanded processing of high-value agricultural products.

In the **medical technology (MedTech) sector**, the priority is to develop domestic manufacturing capacity for basic medical consumables, including syringes and bandages. This is to be supported by public-private partnerships, the use of trade remedies, and stricter enforcement of product quality standards aimed at reducing reliance on imported medical goods. The **poultry sector** places particular emphasis on expanding domestic production through the inclusion of emerging farmers, setting a target of reducing poultry imports by 10 per cent. The plan strongly supports the continuation of tariffs to shield against subsidised foreign competition.

The **steel and metal fabrication sector** calls for extensive safeguards against foreign competition. These include the imposition of tariffs, the strengthening of quality standards, and stricter monitoring of imported scrap and finished steel. While suppliers are not always explicitly identified, low-cost producers in Asia are widely understood to be the source of concern. The **furniture sector** similarly aims to revitalise domestic production, advocating for stronger customs enforcement and greater institutional procurement from local firms, while expressing concern over the growth of cheap imported flat-pack furniture, again largely originating from Asia.

By contrast, the **creative and cultural industries (CCI) and global business services (GBS) sectors** are less directly exposed to physical imports, yet they also contribute to the localisation agenda. In these sectors, localisation is framed in terms of employment and skills development. The CCI sector focuses on expanding opportunities for local content creation, particularly in rural areas, while the GBS sector prioritises domestic service provision and the creation of employment opportunities for young people.

In summary, the localisation agenda represents a consistent cross-sectoral priority, with most master plans demonstrating a clear preference for domestic industrial development and protection against import competition. While the specific measures differ across sectors, ranging from tariff protection and anti-dumping duties to supplier development programmes and stricter enforcement of standards, the underlying concern is the same: liberalisation with low-cost Asian economies is associated with downward pressure on prices, the risk of deindustrialisation, and perceptions of unfair competition. This context has significant implications for South Africa's trade negotiation strategy, as it highlights a structural tension between the pursuit of international market access and the protection of vulnerable domestic industries.

4.2.2 Export Market Prioritisation by Sector

While localisation dominates the sectoral master plans, many sectors simultaneously articulate clear export ambitions. These export strategies are generally aligned with national policy platforms such as the African Continental Free Trade Area (AfCFTA), the Southern African Development Community (SADC), and selected bilateral agreements. However, the extent to which the Middle East and Far East feature in these strategies varies considerably.

The **automotive sector** represents one of South Africa's most established export industries. It identifies the European Union (EU), African Growth and Opportunity Act (AGOA)-eligible markets, and Sub-Saharan Africa as priority destinations, with the ambitious goal of scaling exports to 1.4 million vehicles annually by 2035. Although the Middle East and Far East are not explicitly prioritised, the industry's strong global integration suggests that it remains open to diversifying its export base in line with international demand.

The **MedTech sector's** export priorities are more narrowly focused. Its strategy centres on expanding access to regional African markets, particularly through diagnostics and therapeutic equipment, and on leveraging the

AfCFTA as a key enabler. At present, the plan does not identify specific opportunities in the Middle East or Asia. Similarly, the **sugar sector's** trade strategy is defined in terms of product diversification rather than geographic targeting. Here, the emphasis lies in expanding into higher-value downstream markets such as biofuels and bioplastics, with little reference to destination markets.

By contrast, the **agro-processing sector** explicitly identifies both the EU and the Middle East as high-value markets. This reflects the broader agricultural sector's long-standing interest in penetrating Gulf markets through compliance with strict food safety, quality, and certification standards. The **poultry sector** also highlights export expansion as a strategic goal, targeting both neighbouring SADC countries and Middle Eastern markets. The plan underlines the importance of upgrading sanitary and phytosanitary (SPS) systems and logistics infrastructure to meet the requirements of these destinations.

Other industrial sectors reveal more regionally contained ambitions. The **steel and metal fabrication sector** is primarily oriented towards intra-African trade, especially in supplying infrastructure and mining projects. AfCFTA and SADC are viewed as the most effective platforms for deepening this regional engagement. Similarly, the **furniture sector** concentrates on continental trade, with SACU and AfCFTA serving as the basis for expansion. Neither sector demonstrates a proactive interest in Middle Eastern or Asian markets.

The **creative and cultural industries (CCI) sector** prioritises both digital and physical exports, with particular emphasis on cultural products such as film, music, and design. The United States, the EU, and the SADC region are identified as its most promising markets, while Asia and the Middle East are notably absent. In parallel, the **global business services (GBS) sector** positions South Africa as a premier global destination for outsourced business services. Its strategy is strongly outward-facing, but remains heavily concentrated on the United Kingdom and the United States, with no current indication of engagement with Middle Eastern or Asian markets.

Taken together, the evidence suggests that export market priorities remain largely regional, focused on Africa, or oriented toward traditional Western partners. The **agro-processing** and **poultry sectors** stand out as exceptions, explicitly identifying the Middle East as a strategic growth area. Across most other sectors, direct engagement with East and Southeast Asia is limited, and these regions are more often cited as competitive threats rather than potential trade partners. This divergence highlights an important gap: any future attempt to liberalise trade with the Far East will need to be carefully sequenced and closely aligned with sectoral conditions, balancing domestic sensitivities with opportunities for global market diversification.

4.3 Trade-Off Matrix: Sectoral Alignment and Tensions

The review of South Africa's master plans highlights a spectrum of positions toward deeper trade integration with the Middle East and Far East. These range from broad alignment and support, to sectors where strong sensitivities exist, through to markets that remain largely absent from sectoral strategies. The resulting trade-off matrix illustrates both the opportunities and the constraints that must be balanced in developing a coherent external trade agenda.

4.3.1 Areas of Cross-Sectoral Alignment

Certain countries and regions emerge as relatively uncontroversial, with limited resistance from domestic industries and, in some cases, explicit support for closer engagement. The Gulf States-particularly the United Arab Emirates, Saudi Arabia, and Qatar-feature positively in the agro-processing and poultry master plans, which recognise the region's food security needs, reliable logistics links, and absence of direct competitive threats to local industries. Japan is another market viewed favourably across the master plans. It is widely regarded as a high-standard economy with strong demand for quality imports and does not present a risk of displacing domestic production in sensitive sectors. South Korea occupies a similar position: while not a core export destination in current sectoral strategies, it is not linked to protectionist anxieties and presents opportunities in agri-processing and other high-value chains. Collectively, these markets may be considered low-risk, high-opportunity partners, where trade liberalisation could be pursued with broad political and industrial support.

Table 1. Countries and Regions with Broad Sectoral Alignment

Country/Region	Sectoral References	Trade Implications
Gulf States (UAE, Saudi Arabia, Qatar)	Agro-processing, Poultry	Strong demand; logistics advantages; low domestic risk
Japan	General (no negative mentions)	High-standard market; strong import demand; minimal displacement risk
South Korea	Agri-processing (implicit)	Potential export growth; no protectionist resistance

4.3.2 Areas Requiring Careful Trade-Off Management

By contrast, deeper liberalisation with India, China, and parts of South-East Asia would need to be approached cautiously. India, while not frequently cited directly, is often perceived as a source of low-cost imports that could destabilise sensitive sectors such as clothing and textiles, furniture, and steel. Without transitional provisions or safeguards, these sectors are likely to resist greater market opening. China features even more prominently as a source of competitive pressure. Across the MedTech, steel, CTFL, and furniture plans, Chinese imports are linked to concerns over price undercutting and unfair competition, reinforcing a strong preference for localisation. South-East Asian economies such as Vietnam and Indonesia are less frequently mentioned, but they tend to be grouped within the broader narrative of low-cost import threats. The poultry sector has also raised concerns regarding potential sanitary risks and compliance with import standards from these countries. For these markets, the balance of opportunity and risk is finely poised: while they offer large consumer bases and significant trade potential, engagement would need to be carefully sequenced, supported by policy safeguards, and accompanied by measures to protect sensitive industries.

Table 2. High-Sensitivity Markets and Sectoral Concerns

Country/Region	Sensitive Sectors Affected	Main Concerns
India	CTFL, Furniture, Steel	Low-cost imports; undercutting prices
China	MedTech, Steel, CTFL, Furniture	Strong localisation pressure; unfair competition
Vietnam & Indonesia	Poultry (SPS concerns), General	Low-cost import threat; compliance risks

4.3.3 Countries and Regions with Limited Engagement

Some regions remain largely absent from the master plans, reflecting either limited market familiarity or a lack of immediate sectoral interest. Malaysia, Thailand, and the Philippines are rarely referenced, which suggests that opportunities exist but are not yet prioritised. The absence of strong opposition may, however, provide space for exploratory engagement, particularly in niche sectors. Latin America is also not discussed in the plans, although countries such as Brazil and Argentina are acknowledged competitors in global agricultural trade. These states may be viewed more as rivals than as potential partners in liberalisation efforts. In contrast, African integration through AfCFTA and SADC is a near-universal priority across all sectors. These regional frameworks underpin strategies for industrial cooperation, market expansion, and trade facilitation, and are therefore central to sectoral export ambitions.

Table 3. Markets with Limited Sectoral Engagement

Country/Region	Sectoral Mentions	Observations
Malaysia, Thailand, Philippines	Rarely referenced	Potential niche opportunities; limited familiarity
Latin America (Brazil, Argentina)	Not discussed in master plans	Seen more as competitors than partners
Africa (AfCFTA, SADC)	Broad sectoral consensus	Strong alignment; cornerstone of regional trade

4.3.4 Strategic Policy Implications

The trade-off matrix underscores the need for a differentiated approach to external trade policy. Markets such as the Gulf States, Japan, and South Korea can be prioritised for preferential agreements or partial scope arrangements, as they offer substantial export opportunities with limited domestic opposition. Engagement with China, India, and Vietnam will require more careful sequencing, with phased liberalisation, quotas, or safeguard mechanisms to mitigate risks to vulnerable industries. Complementary industrial policies-including localisation offsets, infrastructure investment, and SME support-should be deployed alongside trade agreements to balance the gains from market access with the need for domestic industrial resilience. Finally, neutral sectors such as global business services (GBS) and the creative and cultural industries (CCI), which are less threatened by import competition, could be mobilised to strengthen cross-sectoral support for a more outward-oriented trade agenda.

4.4 Policy Recommendations

The sectoral analysis and trade-off assessment presented in the preceding sections point to five broad strategic directions for South Africa's trade policy. These recommendations are designed to guide the prioritisation of export markets, the sequencing of trade agreements, and the management of sectoral sensitivities. They also aim to ensure that trade liberalisation advances in step with the country's industrial development and wider policy objectives.

The first recommendation is to prioritise those markets that combine high export potential with minimal domestic risk. Countries such as the United Arab Emirates, Saudi Arabia, Japan, and South Korea have been identified as strategic partners where liberalisation would yield significant opportunities for agriculture and agro-processing while posing little threat to sensitive industries. Engagement with these countries should therefore be advanced through preferential or free trade agreements, supported by export promotion measures, technical compliance assistance, and targeted market access facilitation. This approach would reinforce the National Development Plan's goal of export diversification and align with Operation Vulindlela's focus on trade infrastructure and market expansion.

Second, markets that offer long-term opportunity but are associated with strong domestic sensitivities-most notably China, India, and Vietnam-should be approached with caution. Liberalisation in these cases should be phased and carefully managed, incorporating transitional safeguards, tariff rate quotas, and sector-specific provisions to protect vulnerable industries. Such an approach would allow South Africa to capture the benefits of expanded market access without undermining reindustrialisation priorities. It would also ensure compliance with South Africa's commitments under the African Continental Free Trade Area (AfCFTA) and the World Trade Organization (WTO).

Third, trade policy should be closely aligned with industrial development through targeted support measures. Liberalisation cannot succeed in isolation: domestic firms must be enabled to adjust to heightened competition and to capture the benefits of new opportunities. This will require the deployment of industrial policy tools, including concessional finance, blended funding schemes, infrastructure investment, and local procurement commitments. These interventions will strengthen domestic value chains, safeguard jobs, and allow South African firms to compete on more equal terms with international suppliers. In doing so, this strategy reflects the localisation emphasis found across sectoral master plans and advances the objectives of the Public Procurement Bill, the Industrial Policy Action Plan, and the broader reindustrialisation agenda.

A fourth recommendation is to leverage sectors that are relatively unaffected by import competition-such as Global Business Services (GBS) and the Creative and Cultural Industries (CCI)-to build wider consensus in favour of trade reform. These sectors are strongly outward-facing and may be more inclined to support liberalisation as part of a broader economic diversification strategy. Their inclusion in trade forums, policy dialogues, and advocacy campaigns could help mitigate resistance from more sensitive industries while reinforcing South Africa's positioning in knowledge-intensive and services-led trade. This would align with the goals of the National Infrastructure Plan and the National Development Plan.

Finally, the divergent priorities highlighted across the sectoral master plans underline the importance of institutionalising cross-sectoral coordination on trade policy. A structured mechanism under the Department of Trade, Industry and Competition (DTIC) should be established to bring together sector representatives, policymakers, and trade negotiators. Such a forum would allow for systematic assessment of proposed trade agreements, ensure that sequencing is strategically planned, and provide a platform for negotiating safeguards where needed. In this way, South Africa would enhance its ability to negotiate balanced agreements that reconcile sectoral concerns with national development objectives, in line with the Reimagined Industrial Strategy.

4.5 Additional Strategic Considerations

While this report has concentrated on opportunities in the Middle East and Far East, several other markets and institutional platforms hold relevance for South Africa's broader trade strategy. These considerations are not strongly represented in the sectoral master plans, but they provide complementary opportunities that could guide future phases of engagement or shape second-tier priorities in a changing global trade environment.

4.5.1 High-Potential Markets Not Strongly Represented in Master Plans

A number of emerging economies in Asia and North Africa present untapped opportunities for South African exports, particularly in agriculture and agro-processing. These countries share common features-large and youthful populations, rising middle-class incomes, and increasing reliance on imported food. Although they are not explicitly prioritised in the current master plans, their demand profiles align closely with South Africa's strengths, and they are unlikely to trigger strong domestic resistance.

Bangladesh is a prime example, where high population growth, limited domestic food production, and increasing import needs create promising scope for poultry, dairy, and fruit exports. Pakistan reflects similar market dynamics, with strong demand for staple foods and agricultural inputs, suggesting a cautious but valuable opportunity.

In South-East Asia, Malaysia and Thailand represent attractive long-term partners, with middle-class expansion fuelling demand for higher-quality food and beverages. The Philippines also stands out, where rapid urbanisation and income growth have accelerated imports of agricultural products such as citrus, nuts, and meat-areas where South Africa has clear competitive strengths.

In North Africa, Egypt and Morocco provide an additional layer of opportunity. Beyond their growing food import needs, these countries serve as strategic gateways to broader Arab-speaking markets, giving them both commercial and geopolitical significance.

Although these markets may not require immediate prioritisation, they offer relatively low-risk pathways for trade expansion and could be incorporated into South Africa's strategy as part of a phased, outward-looking approach.

4.5.2 Markets to Approach with Caution

Other markets present risks that may outweigh their immediate commercial benefits. These risks may stem from geopolitical instability, reputational challenges, or direct competition with South African exports.

Russia is the most prominent example, where sanctions and geopolitical uncertainty complicate trade and investment prospects. Argentina and Brazil, while important agricultural producers, are also South Africa's direct competitors in global markets for fruit, beef, and grains. Liberalising trade with these countries could therefore erode domestic production in sensitive sectors. Turkey, meanwhile, presents a politically complex trade environment and maintains high tariff barriers. While opportunities may exist in logistics or investment partnerships, it is not a candidate for near-term trade liberalisation.

These markets should not be excluded entirely from South Africa's external economic strategy. However, engagement should proceed through narrowly defined bilateral arrangements or sector-specific cooperation rather than comprehensive liberalisation. This cautious approach would mitigate risks while still allowing South Africa to capture selective opportunities.

5. Final and Concluding Thoughts

This report has provided an integrated assessment of South Africa's trade opportunities in the Middle East and Far East, drawing on both country-level market analyses and sectoral insights from the national master plans. Taken together, these findings provide a nuanced view of where South Africa can expand its agricultural and agro-industrial exports, the risks that must be managed, and the institutional mechanisms required to align trade liberalisation with domestic development objectives.

The country-level assessments highlight clear high-value opportunities in the United Arab Emirates and Saudi Arabia, where strong demand for fruit, meat, beverages, and processed foods aligns with South Africa's comparative advantages and where tariff barriers are already relatively low. Japan and South Korea also present significant potential, particularly in counter-seasonal fruit, beverages, and niche protein markets, though tariff and SPS barriers remain binding constraints. Emerging markets such as Vietnam, the Philippines, Indonesia, Thailand, and Malaysia offer fast-growing demand and favourable demographics, but tariff disadvantages and entrenched competition from FTA partners mean that South Africa must pursue these opportunities strategically. China and India represent the largest markets by scale, yet also the most complex in terms of tariff protection, SPS hurdles, and competitive pressures. In each of these cases, the scale of untapped potential underscores the importance of carefully sequenced engagement supported by industrial safeguards.

The cross-sectoral review of the master plans reinforces these findings. There is widespread support for deepening trade with the Gulf states, Japan, and South Korea, where export potential is high and risks to domestic industries are limited. By contrast, sectors such as clothing and textiles, furniture, steel, and medical technology express strong sensitivities to liberalisation with China, India, and Vietnam, which are associated with low-cost imports and the risk of industrial displacement. This divergence in sectoral perspectives highlights the need for a trade strategy that is differentiated across markets and responsive to sector-specific vulnerabilities.

The overarching implication is that South Africa's trade policy cannot treat all partners alike. Liberalisation should proceed first with low-risk, high-opportunity markets, while engagement with high-sensitivity partners must be phased and supported by safeguards such as tariff rate quotas, localisation offsets, and targeted industrial financing. At the same time, trade reform cannot be divorced from broader industrial policy. Strengthening cold chain infrastructure, improving port efficiency, expanding SPS compliance, and supporting SME participation in value chains are all prerequisites for turning market access into sustained export performance.

Finally, institutional coordination will be essential. A structured mechanism to integrate sectoral perspectives into trade negotiations would allow South Africa to sequence liberalisation effectively, balance domestic and external interests, and ensure that trade contributes directly to national goals of industrialisation, job creation, and export diversification.

In conclusion, South Africa stands at a pivotal juncture in its trade engagement with the Middle East and Far East. By sequencing its trade negotiations, aligning liberalisation with industrial policy, and prioritising markets where domestic support is strongest, the country can pursue a trade agenda that not only secures immediate commercial gains but also reinforces long-term structural transformation and competitiveness.

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