

**Export performance of South Africa's wine industry amidst the thawing geopolitical tensions in China with the United States and Australia**

**Trade profile of corn maize (HS: 1005)**

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Department:  
Agriculture, Land Reform and Rural Development  
REPUBLIC OF SOUTH AFRICA



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Promoting market access for South African agriculture

## FOREWORD

Welcome to the ninety-second (92nd) issue of the Trade Probe publication produced and coordinated by the Trade Research Unit under the Markets and Economic Research Centre (MERC) of the National Agricultural Marketing Council (NAMC). The Trade Probe publication is co-produced by the NAMC and the Department of Agriculture, Land Reform, and Rural Development (DALRRD). The focus of this issue is on South Africa's agricultural trade outlook for the year 2023; authors unpacked critical issues that are more likely to impact South Africa's agricultural trade performance (or export performance) in the current year. In addition, authors identified alternative markets for expanding commodity-specific export opportunities in the year ahead.

Guided by the mandate of the NAMC, the current issue of the Trade Probe seeks to inform policymakers, producers, traders, and other stakeholders about an outlook of South Africa's agricultural trade and possible issues that may affect South Africa's export performance in the current year, as well as identifying other potential export market opportunities for South African agricultural products.

## REPORT STRUCTURE

### Trade Analysis

1. Export performance of South Africa's wine industry amidst the thawing geopolitical tensions in China with the United States and Australia.
2. South Africa's grains to perform well, but lurking challenges could affect trade.
3. Potential trade impact of the current national energy crisis: An analysis of the South African poultry industry

### Trade Opportunities

4. Trade profile of corn maize (HS: 1005)
5. Trade profile of wine of fresh grapes (HS: 2204)

### Trade News

6. Price of frozen potato chips set to fall as SA scraps anti-dumping duties - for now
7. Stalemate on SA citrus exports to the EU could turn sour with R500m disaster for 2023 season
8. WTO head wants to 'double or triple' Africa's share of global trade

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# Export performance of South Africa's wine industry amidst the thawing geopolitical tensions in China with the United States and Australia

*By Moses Lubinga*

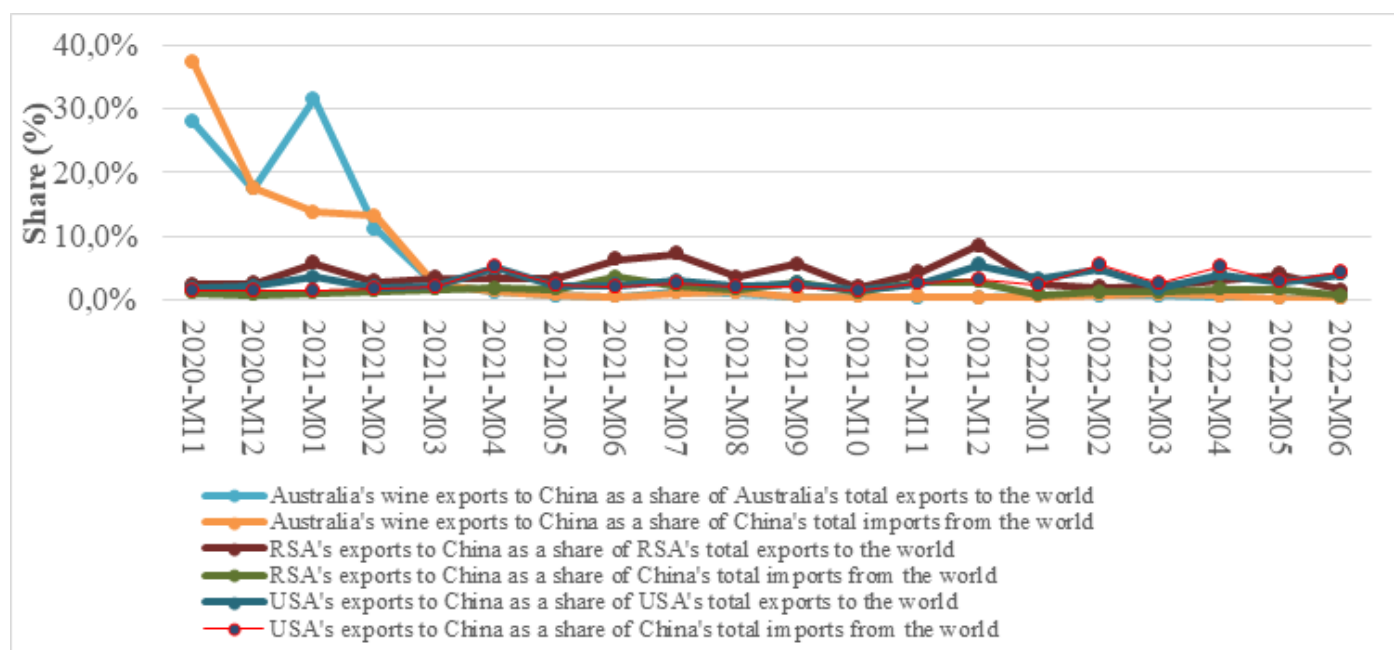
Over the past six years, China ensued geopolitical tensions with the United States of America (USA) and Australia. The tensions culminated in the imposing of retaliatory tariffs on a number of products exchanged between China and each of the trading partners. China imposed exorbitant duties as high as 218% (equivalent to a 105 rise) on Australian wine while the USA also faced a 93% duty from 48% on the same product (Wang, 2021). Whereas the wine industry in Australia and the USA encountered significant losses at the time, Australia ceased being the leading supplier of wine to China while the volume of wine supplied by the USA to China declined by 15% during the second and third quarters of 2020. Conversely, South Africa's wine exports destined for the Chinese market increased slightly by over 240% in the first three quarters of the 2020 calendar year (January – September 2020). This implies that the wine industry in South Africa benefited from the instability between Australia and the USA, which are key wine suppliers to the Chinese market. However, to ease the retaliatory tariffs, China and the USA enacted a trade agreement titled "Phase One trade deal" early in 2020 (Goodman et al., 2020) but lapsed at the end of 2021 (Reuters, 2022). Moreover, the China-Australia tension is also bound to be lifted in an unofficial style as the two parties have reignited the warm ties (Wang, 2023). Thus, the aim of this article is to highlight how the renewed geopolitical relationships are likely to affect South Africa's wines destined for China.



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**Figure 1** shows the trends of China's wine imports originating from Australia, South Africa(RSA), and the USA during



**Figure 1: Trends of wine imports originating from Australia, RSA, and the USA by China**

Data source: Trade Map (2023).

It is clear that following the enactment of the Phase one trade deal between the USA and China, the USA's wine exports to China as a share of the country's total wine exports were on average higher by 0.6% than the period during the tension. However, from a global perspective, the average share of the USA's exports to China's global wine imports was 10% less than the period before the trade deal. This suggests that even though the two countries had struck a deal, the USA had lost a significant share of the market to other competitors, including South Africa, and France, among others.

For Australia's wine exports, the share of the value of wine destined for China slumped to as low as 0.2% in May from 0.6% in April while during the same period, the proportion when compared with global wine imports by China also averaged at 0.25%. The very low share of Australian wines in the Chinese market is attributable to the high duties imposed by China. However, on the side of South Africa, the average share of South Africa's wine exports destined for China was 5.2% while when computed as a proportion of total wine imports by China, it averaged 2.2%. Following the enactment of the Phase one trade deal, South Africa's proportion of wine exports to China reduced to an average of 2.6% (January

to June 2022) while the share of South Africa's wine to what is imported by China from the rest of the world also dropped by 1%. This suggests that the wine originating from the USA gradually restored its share in the Chinese market. Thus, with the thawing geopolitical tensions between China, Australia, and the USA, the share of South Africa's wines in the Chinese market is likely to be negative even though Australia embarked on a bold step to diversify to other markets. Wang (2023) reckons that

*"Even though Australia started diversifying its markets after the tariffs, making up the losses from its former biggest export market has been slow."*

### Conclusion

As geopolitical tensions thaw between China (one of the lucrative markets for wine), and the key wine producers (Australia and the USA), the share of South Africa's wines in the Chinese market is most likely to drop as the USA and Australia reposition themselves in the market. Thus, it is prudent for the wine industry in South Africa to continue strengthening its footprint in other markets, including within Africa. The enactment of the African Continental Free Trade Area (AfCFTA) presents a great opportunity for the wine industry to capitalize on the African market.

<sup>1</sup>Since February 2020, the global supply chain was also affected by the Covid-19 disease outbreak and this affected all countries. Thus, in this article, it is considered a constant across the three countries. Also, the period does not cover the entire period of geopolitical tension for the USA.



# South Africa's grains to perform well, but lurking challenges could affect trade

By Onele Tshitiza

## Global outlook of grains and oilseeds

During 2022, the global economy was shaken by the unpredicted Russia-Ukraine conflict, which affected trade between the world and the two countries. Movement of agricultural products such as wheat, maize, and oilseeds from these countries was impacted, which in turn affected the global prices of these products. Global input prices such as fertiliser prices also rose to all-time highs from March 2022, where diammonium phosphate was at its highest in April 2022 with the price at US\$954/metric ton and urea at US\$925/metric ton due to Russia being the largest exporter of agrochemicals (World Bank, 2023). Fortunately, Russia and Ukraine reached an agreement known as the Black Sea Grain Initiative on 27 July 2022 that would allow the movement of grains from Ukraine. This eased the pressure on the global market and soaring food prices started to ease as of July 2022.

The global production, exports, and imports of wheat are predicted to be higher in the 2022/23 season, with production rising from 779.314 million metric

tons in 2021/22 to 781.12 million metric tons (USDA, 2023a). The increase in global wheat production is attributed to a recovery in Russia's wheat supplies. On the other hand, maize production is expected to decrease by 58.9 million metric tons to 1.155 billion metric tons due to lower production in Ukraine and the USA caused by lower yields.

## South Africa's outlook of grains

South Africa remains self-sufficient in the provision of staple grains such as maize, however, the country imports nearly half of its annual wheat demand to satisfy the local consumption. South Africa is expected to produce 14.938 million metric tons of total maize in the 2022/23 season, where the country will produce 7.698 million metric tons of white maize and 7.239 million metric tons of yellow maize (NAMC, 2023). Furthermore, the country will export approximately 3.595 million metric tons of maize in total, while it is not expected to import any maize, both yellow and white, for the season. Taking advantage of the weak rand, local producers will likely benefit from the projected decline in global production



of maize if prices rise due to lower supply. **Table 1** shows the quantities of maize exported by South Africa in the last 5 years. Japan was the largest market for South Africa's maize in 2021, importing 775 974 metric tons of maize from South Africa, followed by Taipei (557 902 metric tons). South Africa's maize is seen to interchange between Asia and Africa as its main markets. South Africa is likely to continue trading in maize in the current season if the ports operate at an optimum capacity.

**Table 1: Exports of South Africa's total maize (HS:100590)**

Importers	2017	2018	2019	2020	2021
	Exported quantity (Tons)	Exported quantity (Tons)	Exported quantity (Tons)	Exported quantity (Tons)	Exported quantity (Tons)
World	2 118 533	2 212 602	1 155 508	2 375 055	3 222 298
Japan	715 386	200 973	134	52 535	775 974
Taipei, Chinese	214 250	100 307	269	267 309	557 902
Korea, Republic of	53 555	202 970	3 762	321 574	347 018
Viet Nam	133	695 009	1 112	89 795	268 976
Botswana	205 664	212 459	253 778	305 123	267 459
Zimbabwe	172 297	3 125	31 608	509 728	203 670
Eswatini	119 289	116 758	151 120	185 663	162 862
Namibia	97 001	123 886	231 984	180 471	154 572
Mozambique	83 657	105 459	161 750	250 444	131 503

**Source:** Trade Map (2023)



South Africa is also projected to produce 2.176 million tons of wheat, which will be slightly lower than the record high of 2.285 million tons produced in the 2021/22 season. South Africa is not self-sufficient in terms of wheat production; hence, the country is expected to import 1.45 million metric tons of wheat in the 2022/23 season. The country has been riddled by rising food prices in the year 2022 with the consumer price index (CPI) for bread and cereals reaching a year-on-year increase of 20.6% in December 2022 (Stats SA, 2023). The price of food is likely to continue increasing due to the prices of inputs such as fertilisers, pesticides, and fuel which continue to rise locally due to the weak rand and global price fluctuations. The prices of food could further be exacerbated by the growing power cut challenges as producers and processors endeavour to stay afloat and continue producing during these times.

### Conclusion

Production of summer crops such as maize will be impacted by the power cuts this season, however, the effects of loadshedding could be significantly higher on other industries such as the horticulture industry (i.e., fruits) which depends heavily on electricity supply for cold storage and processing along the value chain. Summer grains this season may be affected at the processing level where the demand may be less if processors are not able to keep up with the additional costs of running their facilities due to power cuts. The trade of grains could also be affected by port inefficiencies which continue to pose challenges for the agricultural sector. For the next season however, winter crops production as well as summer production for 2023/24, where irrigation is crucial, could be affected by power cuts if they continue in the next 2 years as anticipated. These logistical challenges, as well as electricity supply, need to be addressed by the government and its entities as a matter of urgency or else the country could face lower production which could lead to lower trade, food shortages, escalating food prices, and job losses.



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# Potential trade impact of the current national energy crisis: An analysis of the South African poultry industry

*By Bhekani Zondo and Ricardo Smith*



The South African poultry industry continues to endure several production challenges that constrain local production, such as high input costs (resulting mostly from escalating feed and fuel costs) and load shedding (prolonged power cuts). During the year 2022, South Africa's poultry meat production was measured at 1.5 million tons and it is forecasted to increase by about 2% in year 2023 (USDA, 2022). Despite this slight increase, domestic production will still remain insufficient to meet the local demand. The total consumption is measured at 1.624 million tons per annum (SAPA, 2023). Poultry imports equalled 286 542 tons, which is approximately 17.6% of South Africa's consumption. As a result of continuous electricity loadshedding, the poultry farmers are faced with increasing production losses because

poultry is produced under intensive farming that relies on electricity. In 2022, electricity blackouts in South Africa were estimated to have taken at least about 200 hours (USDA, 2023b).

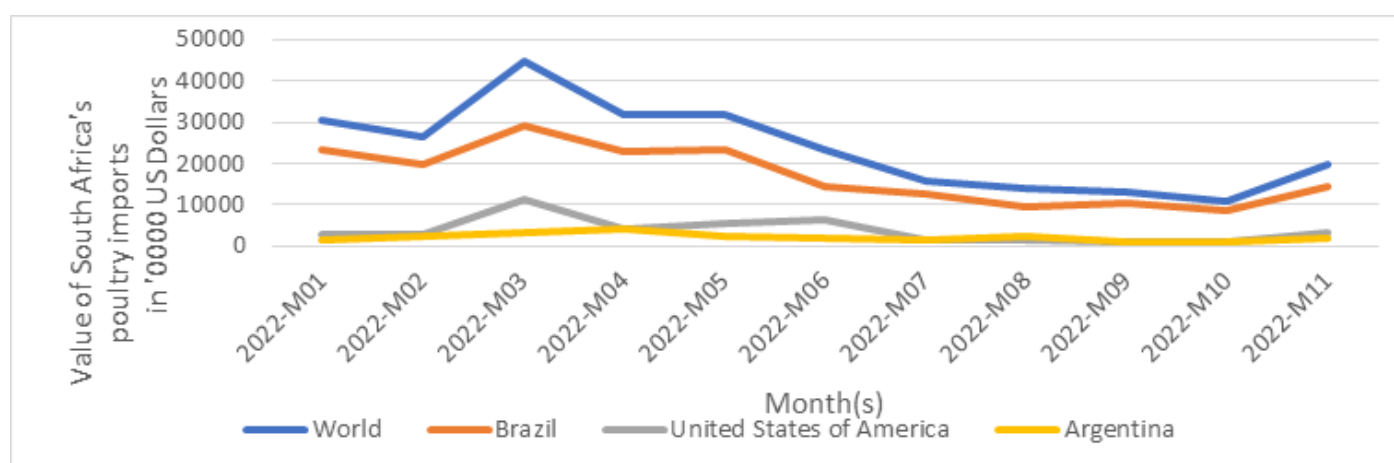
Over the first six weeks of 2023, the poultry farmers were forced to cull approximately 10 million chickens due to loadshedding which negatively impacted the growth of these chickens (AMT, 2023). In addition, several fast-food outlets have reported shortages of bone-in chickens; however, USDA (2023b) suggests that the notable decline in bone-in chicken imports may also be another significant factor. According to the South African Poultry Association bulletin (SAPA, 2023) and USDA (2023b), South Africa's poultry imports have been



decreasing since 2018. This may be attributed to the global outbreak of Highly Pathogenic Avian Influenza (HPAI) in parts of North America and Europe, which has also contributed to the global increase in poultry prices. In addition, the current tariffs and anti-dumping duties imposed on bone-in imports from United States of America (USA) and other European countries has also contributed to this decline.

In March 2020, South Africa increased tariffs for bone-in chicken import from 37% to 64% as part of South Africa's agenda to protect local producers against cheap imports, thereby levelling the playing grounds (USDA, 2023b). With the increasing occurrence of loadshedding coupled with rising feed costs, the local production of poultry is likely to decline in 2023, which will cause a hike in chicken meat prices. Subsequently, the imports of chicken meat will also increase to offset the gap left by the lower domestic production.

**Figure 2** below shows South Africa's poultry meat imports from January to November 2022



**Figure 2: South Africa's leading suppliers of poultry meat (HS: 0207) in 2022.**

Source: Trade Map (2023).

**Figure 2** illustrates that South Africa's value of poultry imports from the world continued to decline in the first 10 months of the year 2022, however they started to increase in November 2022. During this period, South Africa's poultry imports from the world increased by 84% month-on-month (m/m) from a value of US\$10.7 million in October to US\$19.7 million in November 2022. This is largely attributed to an increase in South African poultry imports from Brazil, USA, and Argentina, respectively. These countries experienced increases in the value of their poultry exports to South Africa. Chicken meat imports from the USA increased by 266%, whereas Argentina and Brazil increased by 94% and 65% m/m changes, between October and November 2022.

### Conclusion

In conclusion, the current energy crisis which restricts the country's poultry production and compromising farmers profitability is likely to result in a surge of poultry imports into the country to supplement for the insufficient domestic production. The current trend shows that South Africa's poultry imports had already started to increase in November 2022. Therefore, with the current shortages of poultry meat that have already been reported, the country is likely to experience a surge in imports in the current year. Despite the government declaring the energy crisis as a state of national disaster due to the severity of loadshedding, the government should consider also declaring the agricultural sector as an essential service and be exempted from the electricity blackouts especially among regions with intensive farming and irrigation scheme. In addition, urgent support for alternative sources of electricity generation for farmers is essential.



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# Trade profile of corn maize (HS: 1005)

By By Nonqubeko Sikhakhana

## Product description.

Maize (*Zea mays* L.), also referred to as corn, is a major grain crop in South Africa and it is a staple food for the majority of the population. It is produced across the country under a variety of environmental conditions (i.e., temperatures, rainfall, and duration of the growing seasons). Research and Development (R&D) over the last century has ensured that maize production becomes a success in South Africa and internationally. South Africa mainly produces two types of maize, namely the white maize for human consumption and yellow maize for animal feed production, food industry, textile and paper, pharmaceuticals, and the alcohol industry.

World's top exporters and importers of corn maize **Table 2** below presents the five leading exporters and importers of corn maize in the year 2021. The United States of America had the major share in the world's exports with 36.8%, followed by Argentina with 17.5%, and then Ukraine with a share of 11.3% in global corn maize exports. These three leading exporters accounted for 65.6% of the world's exports of corn maize. South Africa's exports represent 1.6% of world exports for maize corn, ranking 9th in the world. The top three leading importers in 2021 were China with a share of 13.5%, followed by Mexico (8.7%), and Japan (8.0%). These three leading importers accounted for 30.2% of the world's imports of corn maize. South Africa is currently the African continent's leading maize producer and exporter.

**Table 2: World's top exporters and importers of corn maize in 2021**

Rank	Top world exporters	Exported value (SA Rand Billion)	Market share (%)	Rank	Top world Importers	Imported value (SA Rand Billion)	Market share (%)
	World	766	100.0		World	872	100.0
1	United States of America	282	36.8	1	China	118	13.5
2	Argentina	134	17.5	2	Mexico	76	8.7
3	Ukraine	86	11.3	3	Japan	70	8.0
4	Brazil	62	8.1	4	Iran, Islamic Republic of	50	5.7
5	France	29	3.7	5	Korea, Republic of	48	5.5
9	South Africa	12	1.6	88	South Africa	0.46	0.1

Source: Trade Map (2023)

## South Africa's corn maize exports to the world in 2021.

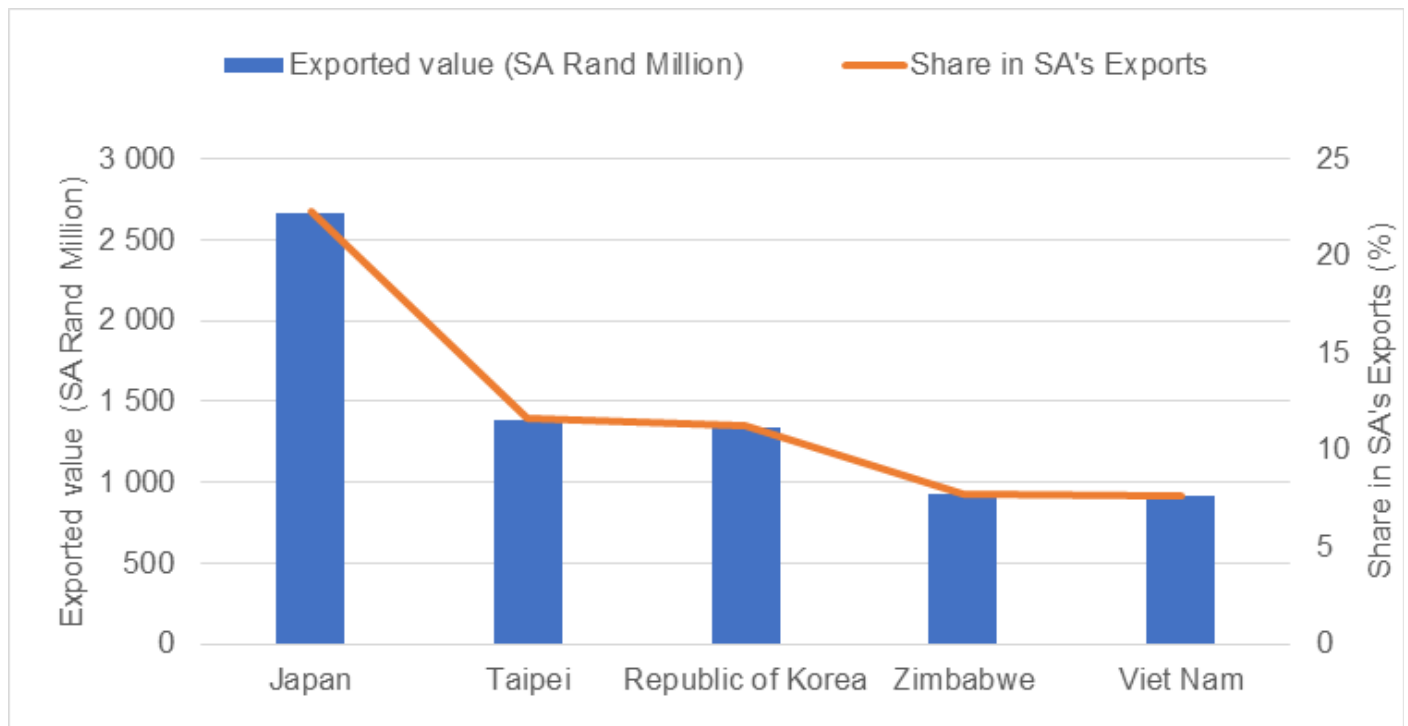
**Table 3** and **Figure 5** below display the leading importing markets for corn maize exported by South Africa during the year 2021. The top three markets for South Africa's corn maize were Japan, Taipei, and Korea, accounting for about 22.3%, 11.6%, and 11.2% share in South Africa's exports respectively. South Africa faces import duties in almost all the top five countries importing corn maize apart from Taipei.



**Table 3: Top 5 importing markets for corn maize exported by South Africa in 2021**

Top 5 importing markets for corn maize exported by SA	Exported value (SA Rand million)	Share in SA's Exports (%)	MFN Rate (%)
World	11 944	100	
Japan	2 660	22.3	16%
Taipei	1 385	11.6	0%
Republic of Korea	1 342	11.2	424.41%
Zimbabwe	922	7.7	3.55%
Viet Nam	918	7.7	11.85%

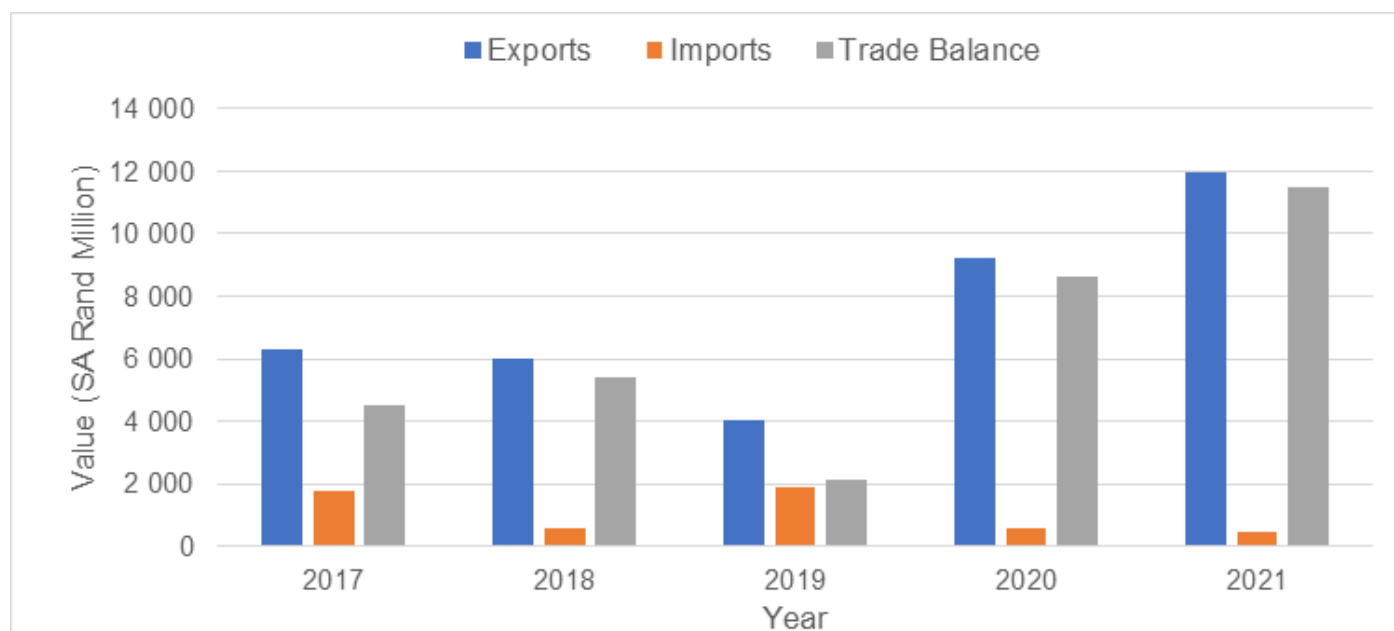
Source: Trade Map (2023)

**Figure 5:** Top 5 importing markets for corn maize exported by South Africa in 2021

Source: Trade Map, 2023

**South Africa's trade balance of corn maize with the world**

**Figure 6** below indicates the trade balance of South Africa's corn maize to the world for a period of 5 years (2017-2021). The analysis indicated that South Africa was a net exporter of corn maize throughout the years 2017 to 2021. The country's maize production has generally increased over the years. From 2019 to 2021, South Africa's corn maize exports value grew by 194% (from R4 056 million in 2019 to R11 944 million in 2021). Good producer practices and favourable weather conditions contributed to the rise in South Africa's corn maize production. An increase in production meant that South Africa could increase its export capacity.



**Figure 6: South Africa's corn maize trade balance with the world from 2017 to 2021**

Source: Global Trade Atlas (2023)

### Conclusion

South Africa's corn maize industry is focused on the domestic market and South Africa can be considered as one of the smaller players in the global maize export market, contributing 1.6% of total world maize exports (See Table 2). Given South Africa's relatively small size in the global context, the domestic industry has functioned as a price taker, with production and exports in the leading exporting countries (i.e., the United States of America, Argentina, Ukraine, Brazil, and France) largely determining global pricing. South Africa's engagement in global markets has been met with intense competition from larger exporters, notably those ranking among the top five global players. From 2019 to 2021, South Africa's corn maize exports grew by 194%. The South African government is investing heavily in smallholder agricultural development. Maize is a key staple that provides livelihood to millions of smallholder farmers. The emphasis on agricultural development through maize in South Africa is part of a larger trend that has seen increasing attention dedicated to crop technology and market integration as major components of agriculture-led poverty reduction in Africa, which is expected to boost production and exports.



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# Trade profile of wine of fresh grapes (HS 2204)

By Lerato Ramafoko



## Introduction

The production of wine is almost as old as time, with proof of production dating back thousands of years. Some of the earliest producers of wine were mainly from Europe, Italy, Iran, and Asia (Tóth and Gál, 2014; Planas, 2017). Countries such as Australia, New Zealand, and South Africa that does not have a long wine-making history and they are regarded as the New World producers in the perspective of wine (Li et al., 2018). South Africa is a home to a wide variety of distinctive and unique landscapes that are surrounded on each side by two different oceans and the temperatures they bring. It is one of the world's most unique and spectacular wine-producing nations. The wine industry in South Africa is dispersed throughout a wide variety of growing regions with various climatic conditions that have a varied impact on the harvest in each location, mostly in the Western Cape.

## World's top exporters and importers of wine from fresh grapes

Table 4 below presents the five leading exporters and importers of wine in the year 2021. France had a major share in the world's exports of wine with 32.1%, followed by Italy with 20.6% and then Spain with 8.5%. The top three exporters of wine in the world accounted for 61.2% share of the total global wine exports. South Africa was ranked 11th exporter of wine with a share of 1.8% in world exports. The top 3 importers in 2021 were United States of America with a share of 17.8%, United Kingdom at 11.7%, and Germany with 8%, accounting 27.5% of the world imports. South Africa only imports about 0.6% of the world's wine exports and is ranked number 50 globally.



**Table 4: World top exporters and importers of Wine (HS: 2204) in 2021**

Rank	Top world exporters	Exported value (Billion Rands)	Market share (%)	Rank	Top world importers	Imported value (Billion Rands)	Market share (%)
	<b>World</b>	602,7	<b>100</b>		<b>World</b>	610,9	<b>100</b>
1	France	193,6	32.1	1	United States of America	108,9	17.8
2	Italy	124,2	20.6	2	United Kingdom	71,3	11.7
3	Spain	51,4	8.5	3	Germany	48,9	8
4	Chile	29,1	4.8	4	Canada	33,2	5.4
5	Australia	25,1	4.2	5	Japan	25,2	4.1
<b>11</b>	<b>South Africa</b>	11,1	1.8	50	South Africa	0,6	0.1

Source: Trade Map (2022)

### South Africa's top 5 export markets for Wine (HS 2204) in 2021

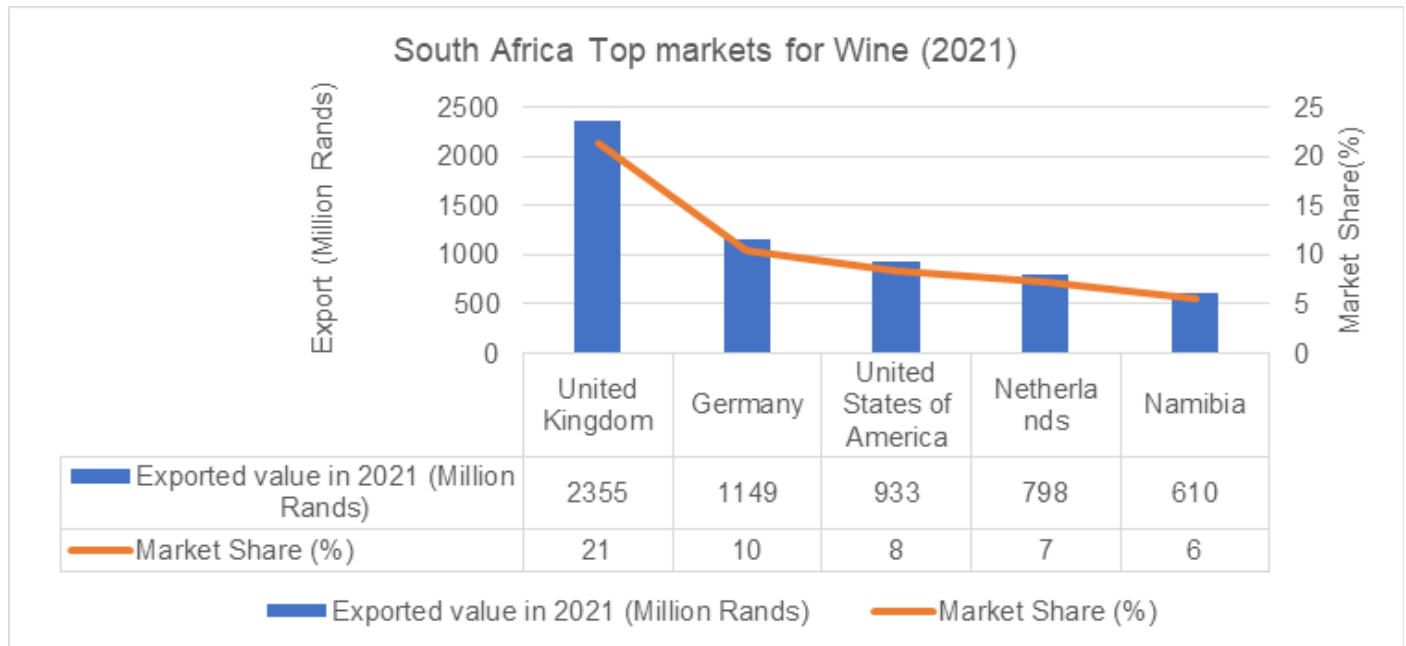
**Table 5** and **Figure 7** below show the leading markets for South African wine exports during the year 2021. The top three markets for South Africa's wine were the United Kingdom (UK), Germany, and the United States of America (USA), accounting for about 37.5% share in South Africa's wine exports. South Africa faces a duty in 4 of the top 5 countries importing wine apart from Namibia at 0% import duty. South Africa's preferential trade agreements and non-reciprocal schemes (including the Southern African Development Community-European Union Economic Partnership Agreement (SADC-EU EPA), African Growth Opportunity Act (AGOA), and Southern African Customs Union (SACU) with the top 5 importers of wine have ensured that a pleasant trade environment exists between South Africa and its trading partners, and even lower tariff rates.

As part of the SADC-EU EPA trade preferences, South Africa can export 81 and 35 million tons of bottled and bulk wine respectively to the EU free of duty (European Commission Taxation and Customs Union, 2022). However, any quantities above the allocated export quotas attract the Most Favoured Nation (MFN) duty rates reflected in **Table 5** below.

**Table 5: SA's top 5 export market for Wine (HS2204) in 2021**

Top 5 SA's markets	Exported value (Million Rands)	Share in SA's Exports (%)	MFN Rate (%)
World	11075,7	100	
United Kingdom	2355,1	21,3	4.08
Germany	1148,9	10,4	3.87
United States of America	933,2	8,4	2.32
Netherlands	798,1	7,2	3.87
Namibia	610	5,5	0

Source: Trade Map (2023).

**Figure 7: SA's top 5 exports market of Wine, HS 2204 for the year 2021 to the World**

Source: Trade Map (2023)

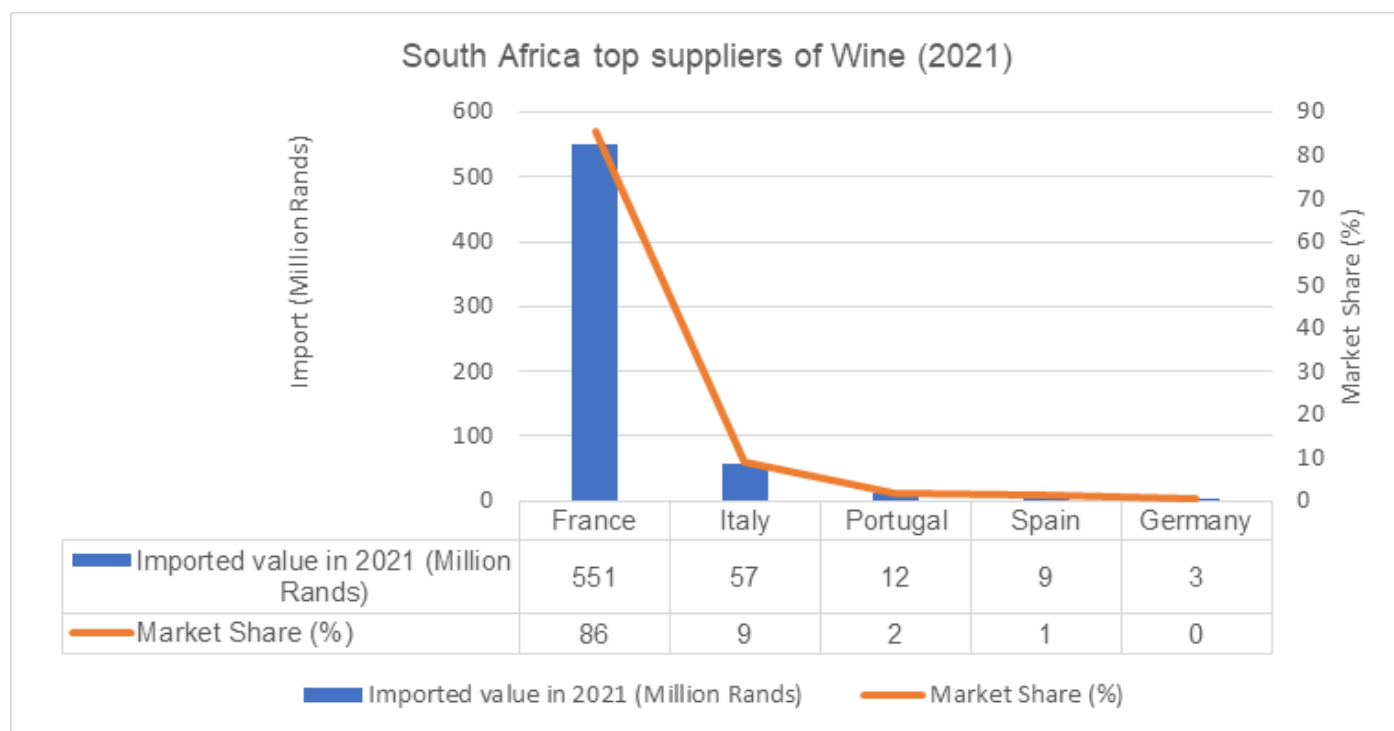
#### South Africa's top 5 supplying markets for Wine (HS: 2204) in 2021

**Table 6** and **Figure 8** below indicate that the leading countries that supplied wine to South Africa's in 2021 were France, Italy, and Portugal with a share of 85.6%, 8.9%, and 1.8%, respectively. South Africa's imports represent only 0.1% of total world imports for wine, ranking 50th in world. South Africa charges a 25% duty on the exporting countries of wine. Imported wine does not face any quotas in the South African market, therefore, an MFN rate applies.

**Table 6: SA's top 5 wine supplying countries (HS: 2204) in 2021**

Top 5 SA's markets	Imported value (Millions Rands)	Share in SA's Imports (%)	MFN Rate (%)
World	643,9	100	
France	551,3	85,6	25
Italy	57,4	8,9	25
Portugal	11,9	1,8	25
Spain	8,7	1,4	25
Germany	2,5	0,4	25

Source: Trade Map (2023)



**Figure 8: South Africa's top 5 wine supplying countries (HS: 2204) in 2021**

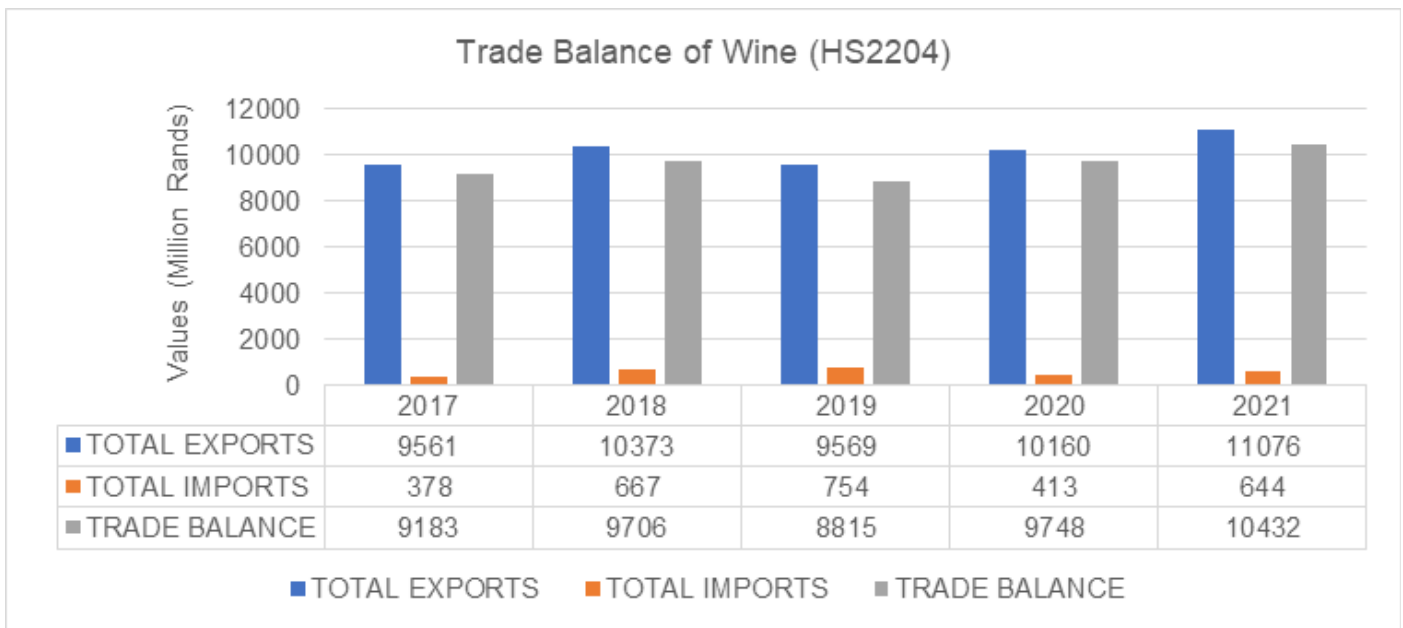
Source: Trade Map, 2023

#### South Africa's trade balance of wine (HS: 2204) with the World

**Figure 9** below indicates that there is a positive trade balance with the world for the analyzed 5 years (period 2017-2021). Therefore, this means that South Africa is a net exporter of wine. South African wine exports have grown by 9% with an export value of R916 million between 2020 and 2021. Furthermore, South Africa continues to only import a relatively small quantity of wine for the local market. This may be an indication of self-sufficiency in production.







**Figure 9: Trade Balance for Wine (HS: 2204) in the year 2021 with the World**

Source: Trade Map (2023)

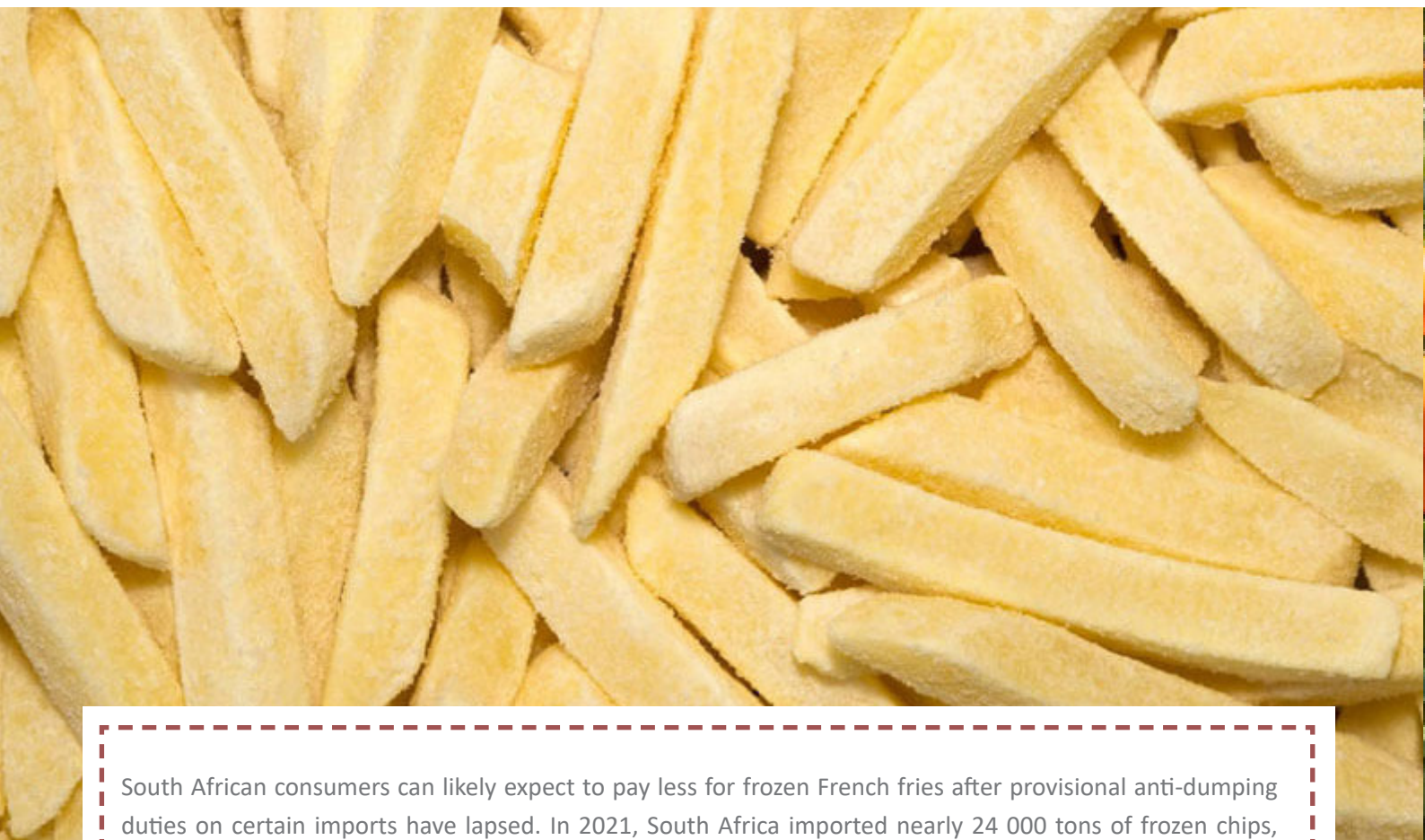
### Conclusion

The South African wine industry is one of the most important industries, not only for the national economy but also for the vibrancy and financial state of the Western Cape. In value terms, the industry generates over R11 billion rands in exports to the world and considerably more for the local economy. South Africa ranks at number 11 among the world exporters for the year 2021. In the past year, South African wine exports have grown by 9% (2020-2021). Increased exports to the world give South Africa an incentive to expand to other territories and increase exports to countries such as Japan. Japan is one of the top importers of wine (number 5 in 2021), however, South Africa's contribution to its market is minimal. Maintaining market share in established markets while also expanding market share in selected high-growth markets such as Japan, would prove advantageous to the industry and economy. The conclusion of the African Continental Free Trade Area (AfCFTA) also carries a potential for further export market diversification into the African Continent.



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## Price of frozen potato chips set to fall as SA scraps anti-dumping duties - for now



South African consumers can likely expect to pay less for frozen French fries after provisional anti-dumping duties on certain imports have lapsed. In 2021, South Africa imported nearly 24 000 tons of frozen chips, according to Business Insider. In July last year, concerns were raised about higher prices and even shortages after the International Trade Administration Commission (ITAC) imposed provisional anti-dumping duties of up to 181% on such imports from Belgium, the Netherlands, and Germany. The provisional duties were imposed for six months, pending the finalisation of an investigation by the Commission. These duties have now lapsed since the Commission did not extend them beyond the six-month period. The ITAC told News24 on Wednesday that the provisional duties were meant to ensure that the local industry is protected from alleged “injurious dumping” while the investigation is under way. Although the duties have now lapsed, the investigation continues. Pending the outcome of the investigation, Minister of Trade, Industry, and Competition Ebrahim Patel may still decide to impose definitive anti-dumping duties.

“The Commission is ensuring that all due processes are followed to ensure the completion of the investigation, and thereafter the Minister’s decision will follow. Further developments will be communicated in due course,” said ITAC.

Available at: <https://www.news24.com/fin24/economy/price-of-frozen-potato-chips-set-to-fall-as-sa-scraps-anti-dumping-duties-for-now-20230201>



## Stalemate on SA citrus exports to the EU could turn sour with R500m disaster for 2023 season



A stalemate regarding new European Union regulations impacting SA citrus exports spells disaster for the 2023 season if the government cannot resolve it soon, the Citrus Growers' Association (CGA) warned on Wednesday. The new EU rules, implemented in July last year, aim at tackling the potential spread of an insect called the false codling moth, a pest native to sub-Saharan Africa and which feeds on fruits, including oranges and grapefruit.

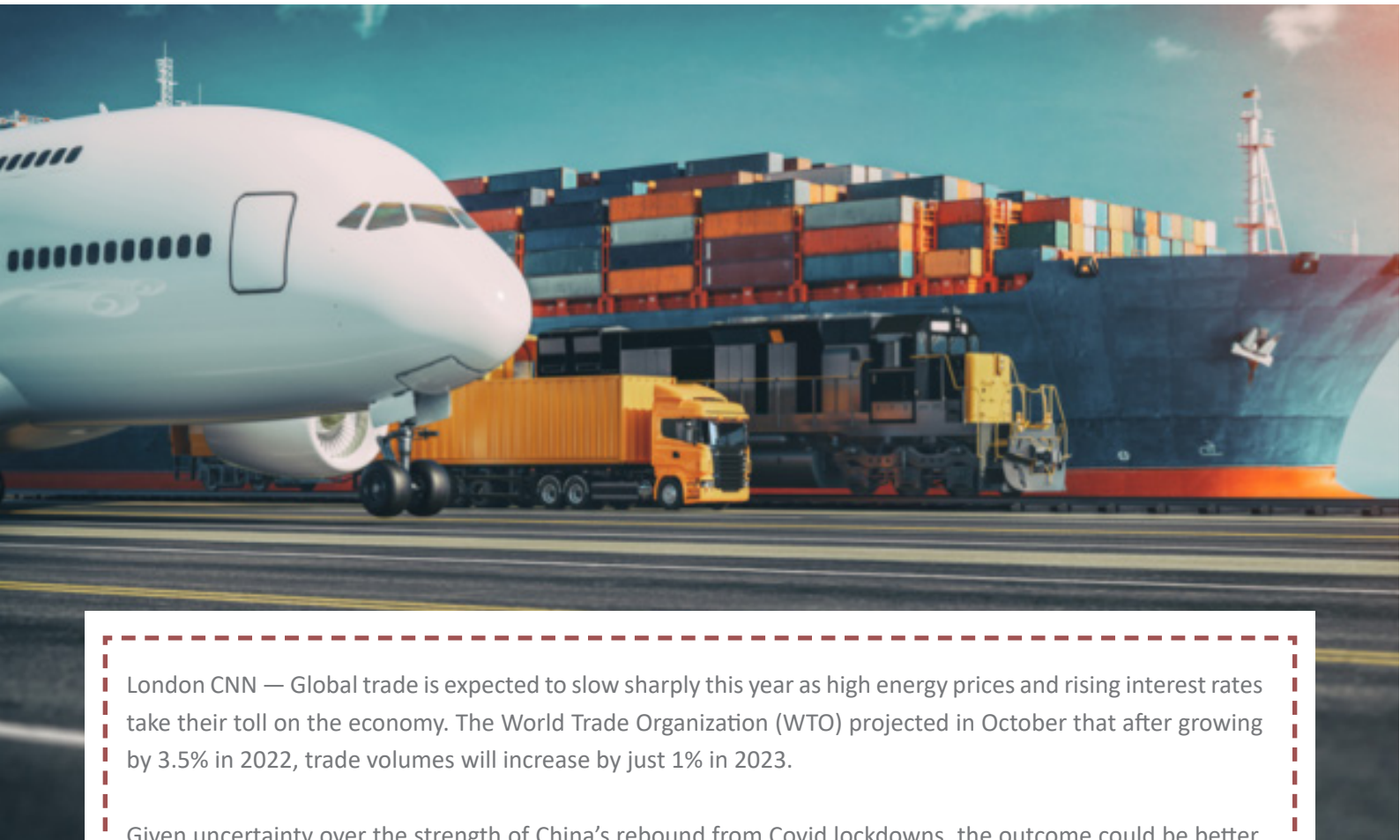
The new measures require South African farmers to apply extreme cold treatment to all Europe-bound oranges and keep the fruits at temperatures of two degrees Celsius or lower for 25 days. But the CGA claims this measure is unnecessary as SA has proven that it already has its own, more targeted, way of preventing infestation.

Citrus exports from SA sustain more than 140 000 local jobs and bring in R30 billion of export revenue annually. The CGA estimates implementing the new regulations added more than R200 million in additional costs to the SA citrus industry in 2022. A recent study by the Bureau for Food and Agricultural Policy (BFAP) estimates that should EU authorities continue to enforce the new regulations, additional costs and loss of income will amount to more than R500 million in 2023. Furthermore, nearly R1.4 billion will be required for an investment in cold storage technology and capacity building to enable full compliance. "With the export of oranges starting in May, we still have a short window to rescue this serious situation," says CGA CEO Justin Chadwick.

Available at: <https://www.news24.com/fin24/economy/stalemate-on-sa-citrus-exports-to-the-eu-could-turn-sour-with-r500m-disaster-for-2023-season-20230201>



## WTO head wants to ‘double or triple’ Africa’s share of global trade



London CNN — Global trade is expected to slow sharply this year as high energy prices and rising interest rates take their toll on the economy. The World Trade Organization (WTO) projected in October that after growing by 3.5% in 2022, trade volumes will increase by just 1% in 2023.

Given uncertainty over the strength of China’s rebound from Covid lockdowns, the outcome could be better. Either way, Africa may start to reap the benefits of a free trade deal that came into effect in 2021.

The landmark African Continental Free Trade Area (AfCFTA) agreement created the world’s largest new free trade area since the establishment of the WTO.

The same year, Nigerian Ngozi Okonjo-Iweala was appointed as the WTO’s director general, becoming the first woman and the first African to hold the position. She spoke recently with CNN’s Eleni Giokos about the future of trade on the continent. The following interview has been edited for clarity and length.

AfCFTA came into effect in the beginning of 2021. It’s an amazing journey. Has the WTO been able to track any changes that are visible on the ground?

Okonjo-Iweala: [AfCFTA] is important — it creates a market of 1.4 billion people and counting. The fact that the ratification of this has happened — that we have 44 out of 54 countries ratified — is already good progress. But I’ve learned that in the trade field, things take so long.

Available at: <https://edition.cnn.com/2023/02/02/business/wto-okonjo-iweala-africa-trade-spc-intl/index.html>

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