
PRESS RELEASE

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THE EUROPEAN UNION (EU) MARKET FOR SOUTH AFRICA'S AGRICULTURAL EXPORTS DECLINING

Although South Africa has seen a tremendous increase in its agricultural exports over the last two decades, the recent data reveal a concerning trend South Africa's fruit and almonds exports to the European Union (EU) market are on the downward trajectory. Maintaining safe market access while exploring new markets is increasingly essential for the country as global trade takes unexpected turns.

Challenges faced by South Africa's Exports to the EU Market:

1. **Sanitary and Phytosanitary (SPS) Requirements or Restrictions:** Stringent SPS measures imposed by the EU have posed challenges for South African exporters. Compliance with these standards is essential for maintaining market access.
2. **Protectionism (Citrus):** The EU's protectionist policies, particularly concerning citrus fruits, have impacted South Africa's exports.
3. **Market Diversification:** In response to these challenges, South Africa is actively seeking alternative markets. Recent trends show increased exports of fruits and almonds to Asia and a growing presence in the Americas.

Fruit and Almonds Exports by Region:

- **Asia:** In 2003, Asia accounted for 20% of SA's fruit and almonds exports and increased to 34% in 2022, which represented an increase of 758% from US\$175.4 million to US\$1.5 billion.

- **EU:** In 2003, EU accounted for 61% of SA's fruit and almonds exports but has decreased to 45% in 2022. SA's fruit and almonds exports to EU increased by 263%, from US\$547.8 million to US\$1.9 billion.
- **Americas:** In 2003, Americas accounted for 8% and increased to 9% in 2022. SA's fruit and nut exports to Americas increased by 475%, from US\$70.4 million to US\$404.8 million.

South Africa's market diversification strategy is critical. However, it is equally important to assess the merits and risks of shifting away from key markets. Notably, while it took nearly 20 years for fruit and nuts exported to Asia to reach US\$1.0 billion, the EU achieved the same milestone in half that time.

The EU is currently South Africa's biggest market for fruit and nuts exports. South Africa's exported products to the EU are traded within a trade agreement, unlike exports to Asian countries such as China where SA agricultural products are subject to high duties. For that reason, South Africa cannot afford to overlook the EU despite its current challenges.

Lastly, South Africa needs to address issues within its control that hinder it from entering certain markets.

Issued by the National Agricultural Marketing Council

The End

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