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## COMMENTARY

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# Interpreting South Africa's G20 Presidency in a fracturing trade environment

Buhlebemvelo Dube and Victor Thindisa

South Africa's G20 presidency unfolded at a moment when global agricultural markets are being reshaped by trade fragmentation, protectionist posture, climate variability, and tightening regulatory standards (Kubayi, Mthembu et al. 2024). Within this environment, the Report by the Chair of the Agriculture Working Group and the G20 Leaders' Declaration set out a transparent trade governance framework driven by transparency, innovation, and predictable trade norms. The central question for South Africa was whether these commitments can alter the structural constraints that continue to limit its agricultural competitiveness, market access impediments, and exposure to economic shocks.

Scholars such as Martin (2017), Smith and Glauber (2020) provide a helpful starting point in identifying a core principle of agricultural trade economics: competitiveness and food security depend less on production volumes than on how effectively markets process information, manage risk, and transmit prices. Weak transparency or unpredictable trade measures magnify the transmission of shocks across borders, as demonstrated in recent episodes of export controls leading to disruptions of food systems. This logic has informed the G20's emphasis since Seoul and Brisbane on disciplined trade behaviour, credible information systems, and coordinated innovation (Cherry and Dobson 2012, Kirton 2014). South Africa's export-dominant industries, such as citrus, wine, maize, beef, and emerging horticulture, operate within these dynamics and rely on efficient institutions, predictable market signals, reliable logistics, and climate-aligned technologies that sustain competitiveness in an increasingly contested global markets.

Against this backdrop, the theme of South Africa's Presidency focused solidarity, equality, and sustainability. In the context of the agricultural working group, the attention was on amongst others the market failures most detrimental to competitiveness, namely uneven transparency, volatile border measures, misaligned agricultural finance, and uneven technological diffusion (Soko 2021, Nair and Roberts

2024, Bond 2025). The prioritisation of the Agricultural Market Information System (AMIS) reflects the pressures created by recurring export controls and recent interruptions experienced by major exporters' resulting in gaps in data reporting, both of which have contributed to heightened price volatility.

On the other hand, the focus on development finance acknowledged a persistent constraint in agriculture's chronic underinvestment by public development banks and placed renewed attention on the need for institutions capable of supporting climate-aligned, innovation-driven investment. The innovation agenda drew on South Africa's institutional strength in research capacity, extension systems, biotechnology, and digital access, while the climate-adaptation priorities aligned with commodity and location-specific production risks, emphasising seed resilience, drought-tolerant varieties, biosecurity, and regenerative practices (Schut, Klerkx et al. 2016, Moonsamy 2024).

The Leaders' Declaration located these sectoral commitments within the broader architecture of the global political economy. Its reaffirmation of open, rules-based agricultural trade was significant amid elevated export restrictions and disruptions to market reporting that have amplified international price uncertainty. By framing food security, supply-chain resilience, and Africa's industrialisation as components of macroeconomic stability, the Declaration recognises the speed with which shocks in major exporting countries transmit across markets, a pattern highlighted in recent AMIS assessments (Bank 2017, van Berkum 2022).

At a continental level, the endorsement of the African Continental Free Trade Area (AfCFTA) strengthens the institutional basis for deeper regional integration, signalling that intra-African agricultural trade is increasingly recognised as central to the economic development of the continent and its people. Dweck and Mazzucato (2025) Kedward, Gabor et al. (2022) posit that linking climate risk to investment flows and positioning science, digitalisation, and sustainable finance as productivity drivers aligns with empirical evidence that long-term competitiveness rests on innovation-led, climate-aligned transformation rather than expanded production alone.

Rule based trading system rest on the efficient and effectiveness of institutions of governance. The shift toward system-level governance, however, does not automatically translate into domestic gains. Its value to South Africa depends on whether domestic institutions can solicit necessary data, meet the information, analytical, and investment standards implied by the G20 agenda. Greater reliance on AMIS will matter only if South Africa improves the accuracy and frequency of its own stock and market reporting, a need made more urgent by recent data disruptions and renewed export controls abroad.

Capital is the lubricant that drives the development machinery. The emphasis on development finance underscores a long-standing vulnerability: without a stable, adequately capitalised Land Bank, the country will struggle to take advantage of global

climate-aligned investment amid elevated fertiliser costs and climatic volatility associated with La Niña.

Creativity and innovation is source of competitive advantage. South Africa's scientific capacity positions it well in the innovation agenda, but the voluntary nature of technology transfer means progress will depend on intensified, targeted bilateral agreements rather than on expectations of multilateral diffusion. The Declaration's reinforcement of predictable trade rules strengthens South Africa's leverage ahead of MC14, while its recognition of Africa's industrialisation affirms the strategic logic of expanding regional agricultural trade (Nadkarni, D'Anieri et al. 2024).

South Africa's G20 presidency has expanded its influence in agricultural governance but influence alone does not secure competitiveness. Whether this momentum translates into improved market access and export growth will depend on how effectively domestic institutions close the gap between diplomatic ambition and operational capability, particularly in data integrity, sanitary and phytosanitary systems, development finance, and trade facilitation. The G20 year created an opening; transforming that opening into a structural advantage will require disciplined institutional execution at home rather than further declarations abroad.

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