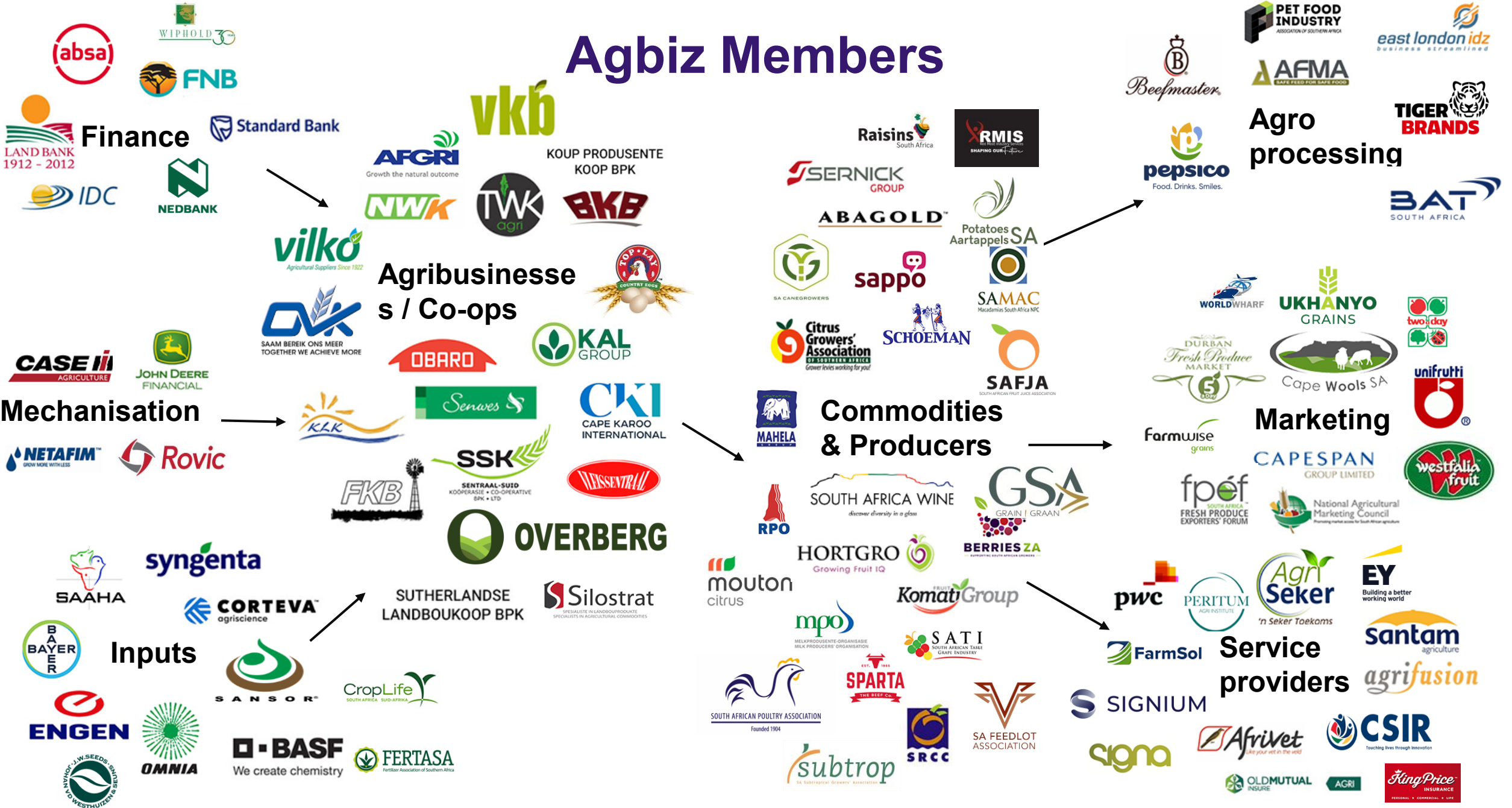


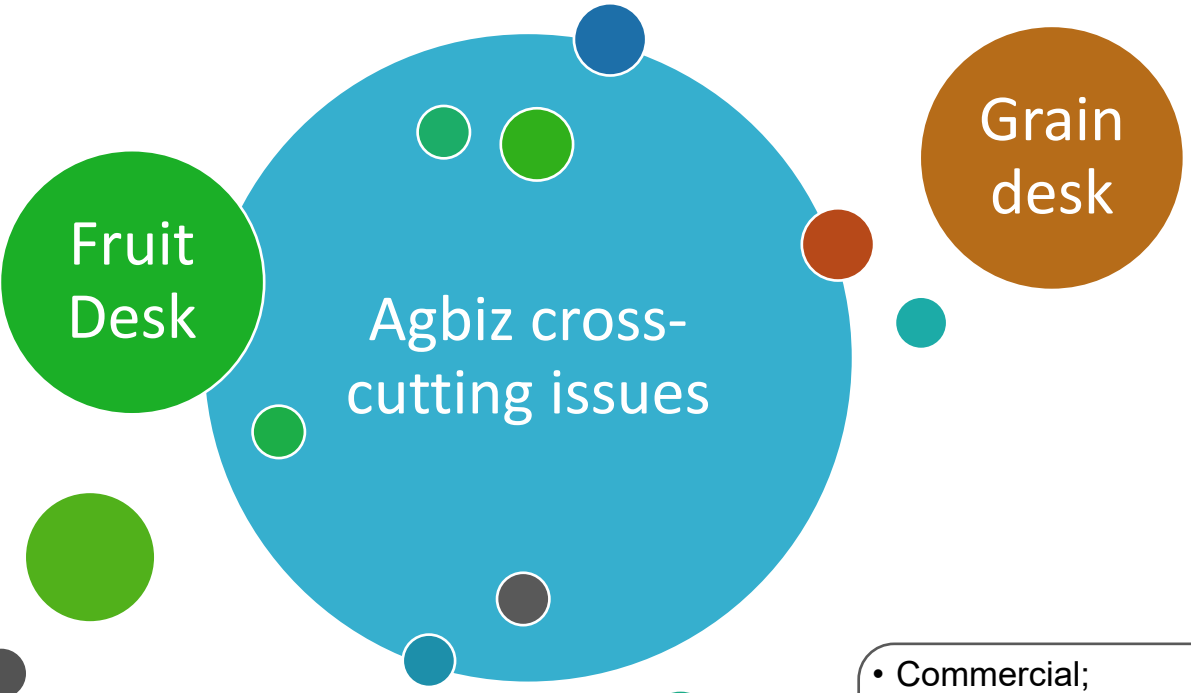
Geopolitics – where to from here in unstable times

Berries ZA Symposium
29 May 2026
Theo Boshoff



Agbiz Members





- Commercial;
- Land;
- Water;
- Employment;
- BBBEE;
- Value-chain specific

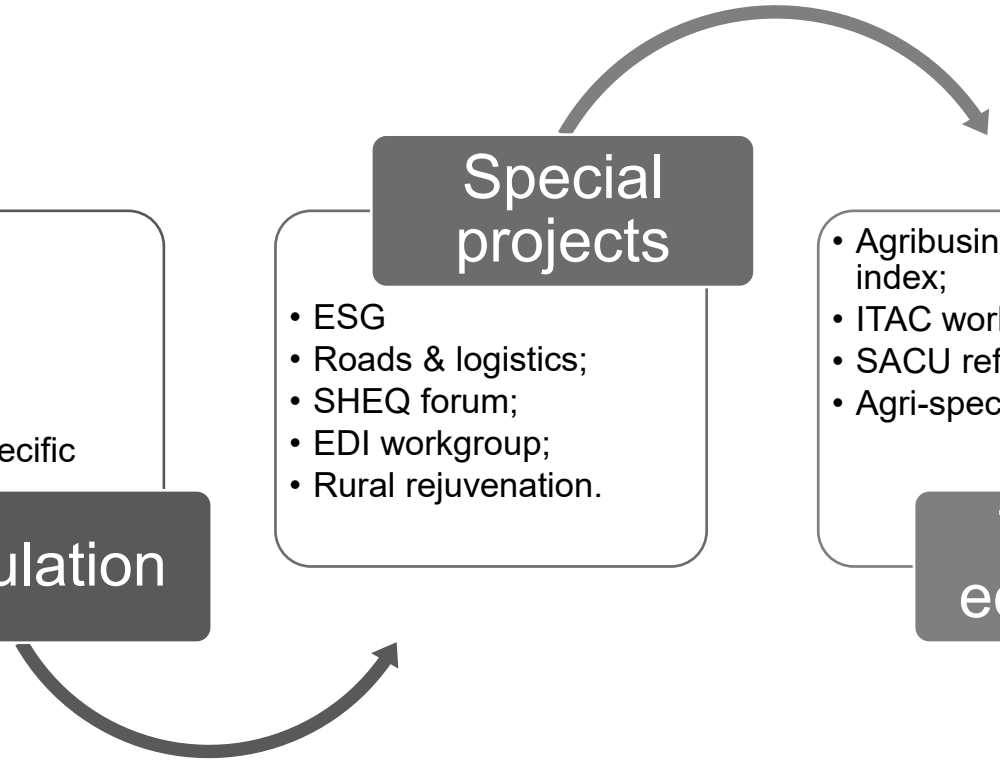
Regulation

Special projects

- ESG
- Roads & logistics;
- SHEQ forum;
- EDI workgroup;
- Rural rejuvenation.

- Agribusiness confidence index;
- ITAC work;
- SACU reform;
- Agri-specific PTAs;







Trade & economics



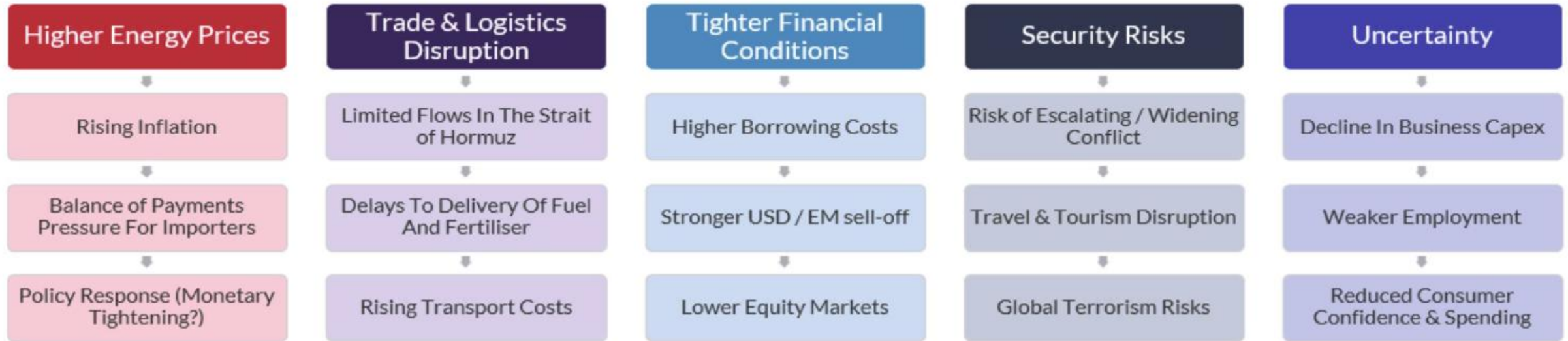
GLOBAL FRACTURING AND THE SHOCK OF WAR: EVOLVING, UNCERTAIN, PROFOUND IMPACT



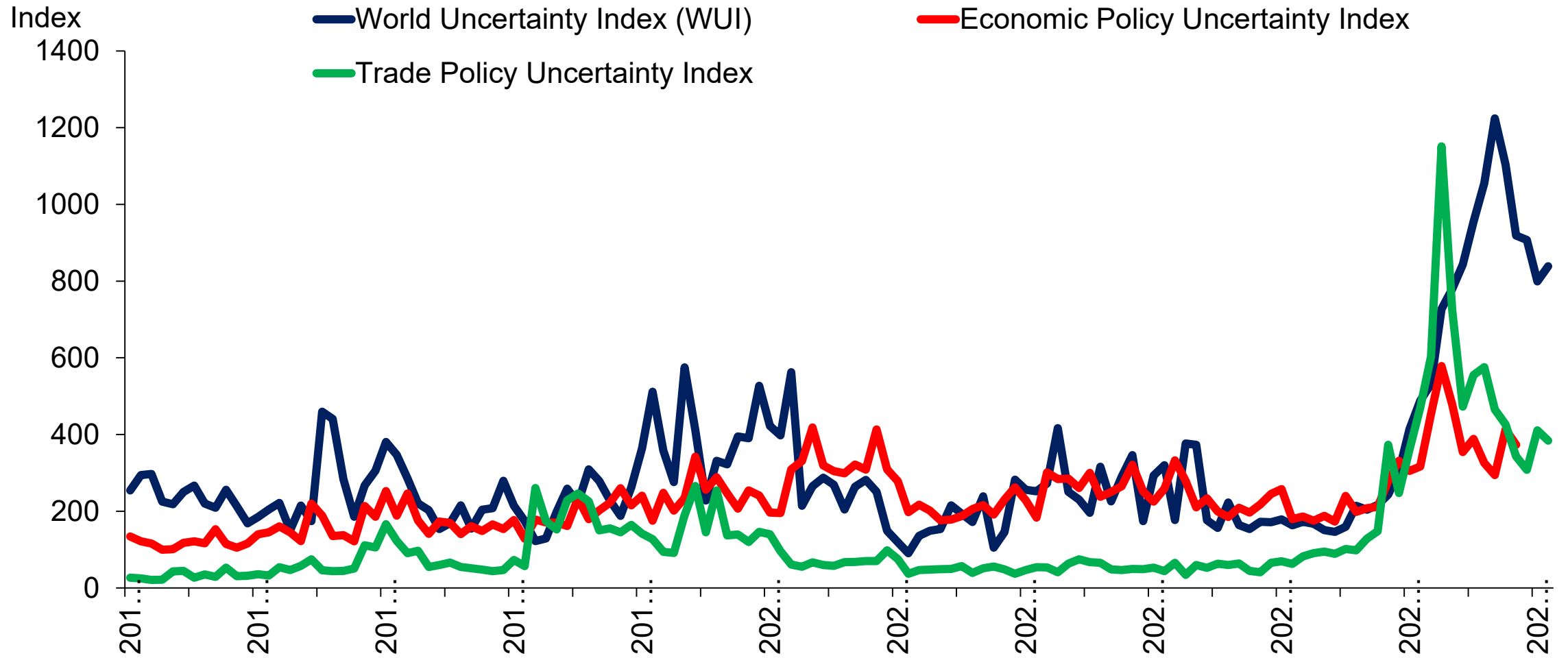
SEVERAL SECTORS ALREADY DISRUPTED AND THE LIST IS GROWING

	 Shipping	 Gas	 Oil	 Aviation	 Metals	 Chemicals
Why is it disrupted?	~900+ vessels/week usually transit Hormuz Security risk as insurance voided and ship attacks expand	17% of global LNG flows via Hormuz LNG supply chain not flexible due to need for custom infrastructure	20% of global supply transits Hormuz Hormuz blockage and refinery closures limit supply and raise prices	20% of global air cargo & 450M passengers per year through GCC Jet fuel price hikes and regional shortages impacting air travel	24% of the world's traded <u>aluminum</u> transits the ME Raw materials disruption stalls Gulf smelters to export <u>finished aluminum</u>	10-30% of selected key chemicals* transit Hormuz Supply shocks affect inputs for polymers, fertilizers, and tech and prices
Level of disruption	Severe	Severe	Severe	Moderate	Moderate	Moderate
Geographic impact	South Asia, East Asia, and Africa with main export reliance	Asian countries as main LNG recipients Europe as exposed to spot market	Asian countries as main oil recipients	Asia-Europe-Africa main cargo corridors Asia-Europe as main passenger transit corridor	Gulf <u>aluminum</u> accounts for 14% of Europe's and 21% of USA's <u>aluminum</u> imports	India and China as main chemical importers

US-IRAN CONFLICT AND TRANSMISSION TO GLOBAL ECONOMY

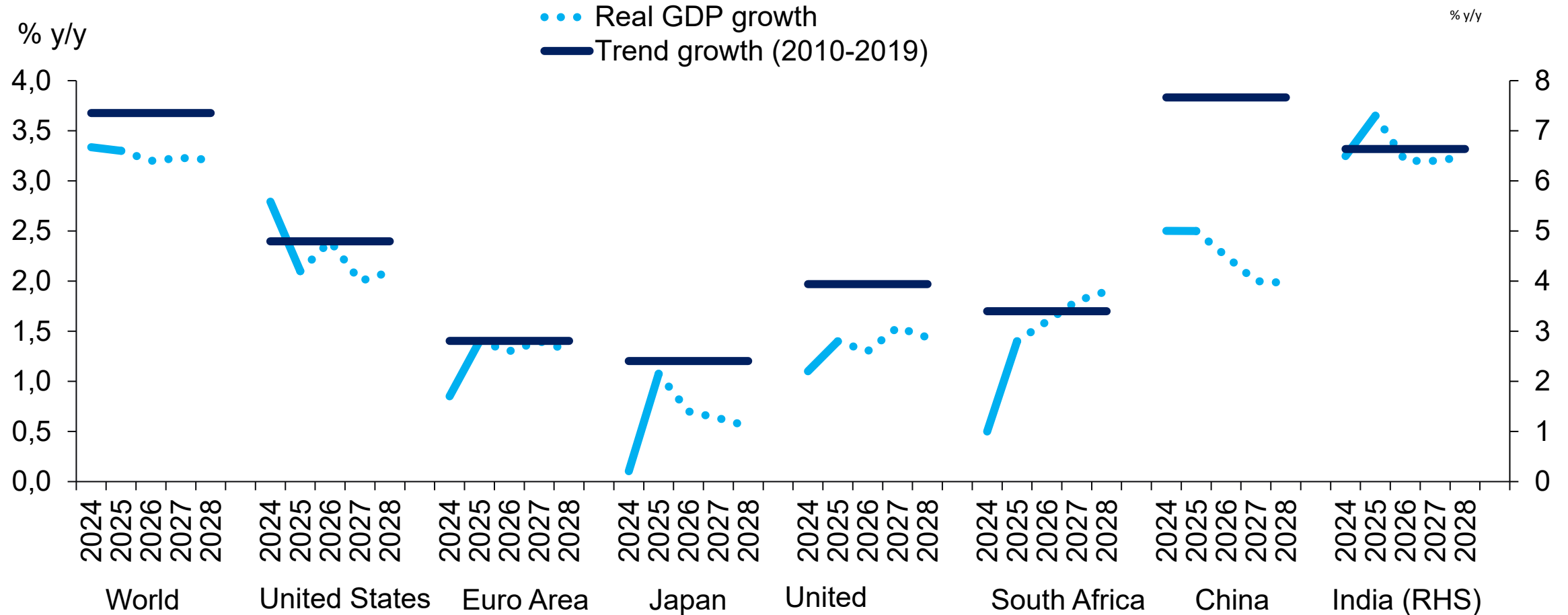


ONGOING TRADE UNCERTAINTY



STEADY BUT SUBPAR GLOBAL GROWTH

The growth outlook for most major advanced and emerging market economies is below long-term trends

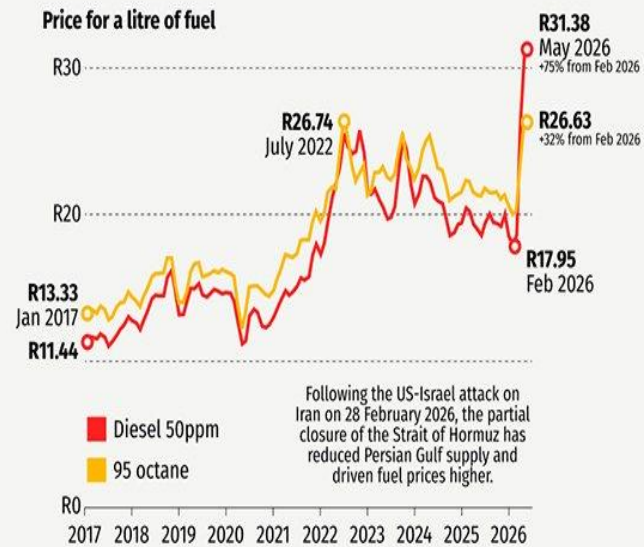


Source: IMF, RMB Global Research, and Agbiz Research

Rising input costs

Diesel over R30 a litre in SA

While 95 octane in Gauteng nears its 2022 record high at R26.63



Note: Prices are for fuels sold inland. Source: Fuels Industry Association of South Africa and Department of Mineral Resources Media Release (5 May 2026)

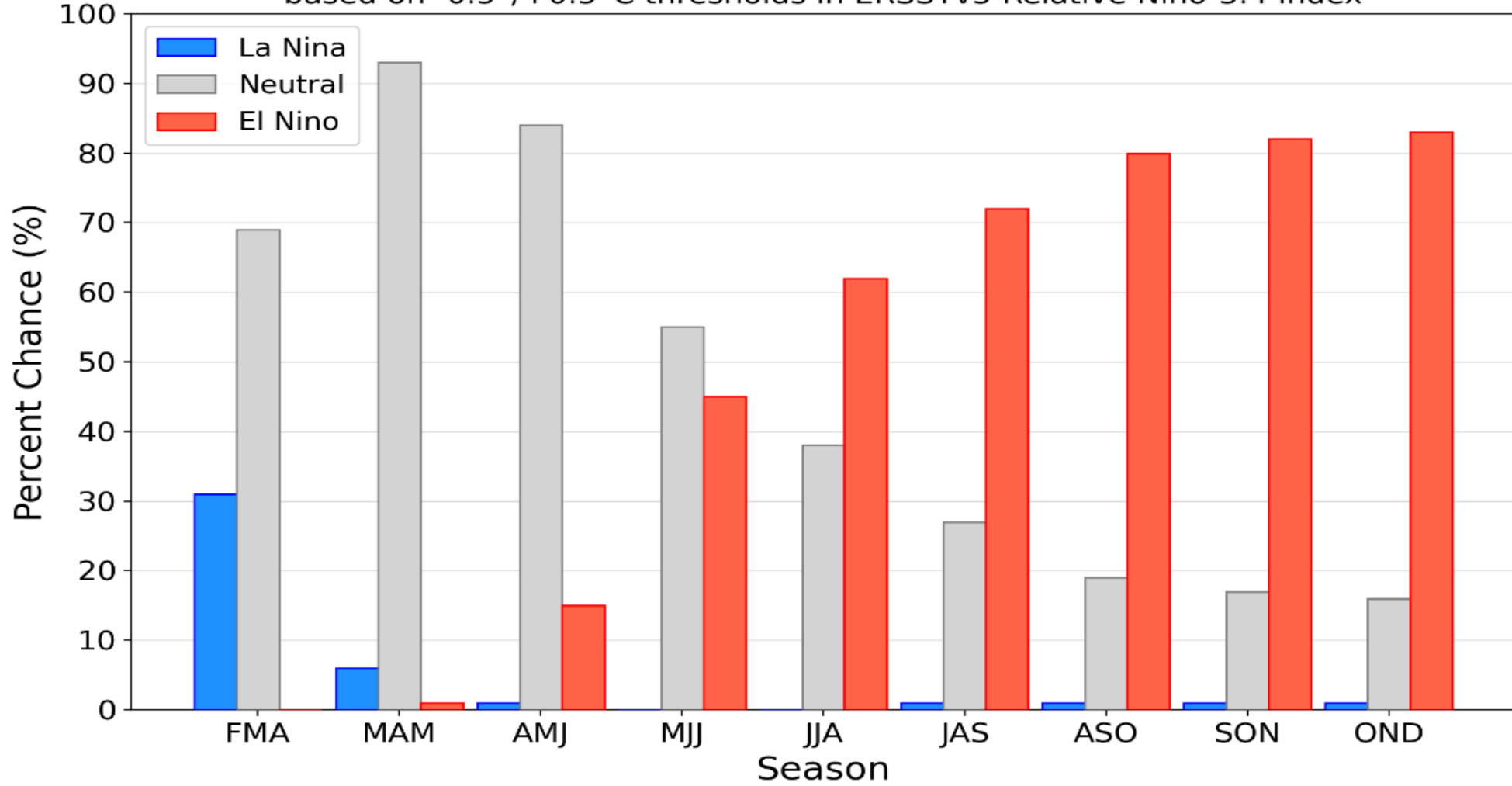
theoutlier.co.za

Urea (USD/T) 459.00 +5.00 (+1.10%)



Official NOAA CPC ENSO Probabilities (issued March 2026)

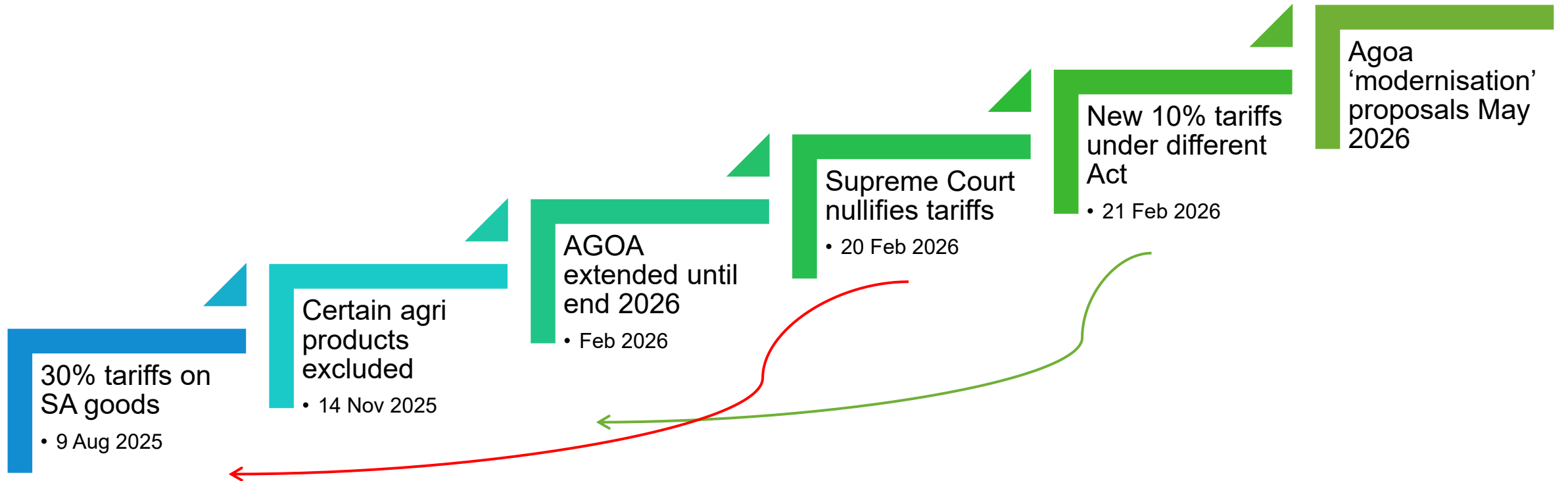
based on $-0.5^{\circ}/+0.5^{\circ}\text{C}$ thresholds in ERSSTv5 Relative Niño-3.4 index



US tariffs



Timeline of events



US Tariffs

Status Quo

- Tariffs under IEEPA struck down;
- 1974 Trade Act invoked to impose 10% tariffs (can be increased to 15%); but
 - Only for 150 days (21 July 2026);
 - May be challenged (designed for balance of payment crises);
 - Excludes Canada & Mexico but applies to SA competitors
- Previous exclusions still apply (macadamias, citrus varieties, fruit juice);
- AGOA effect – SA may be in more favourable position than competitors?

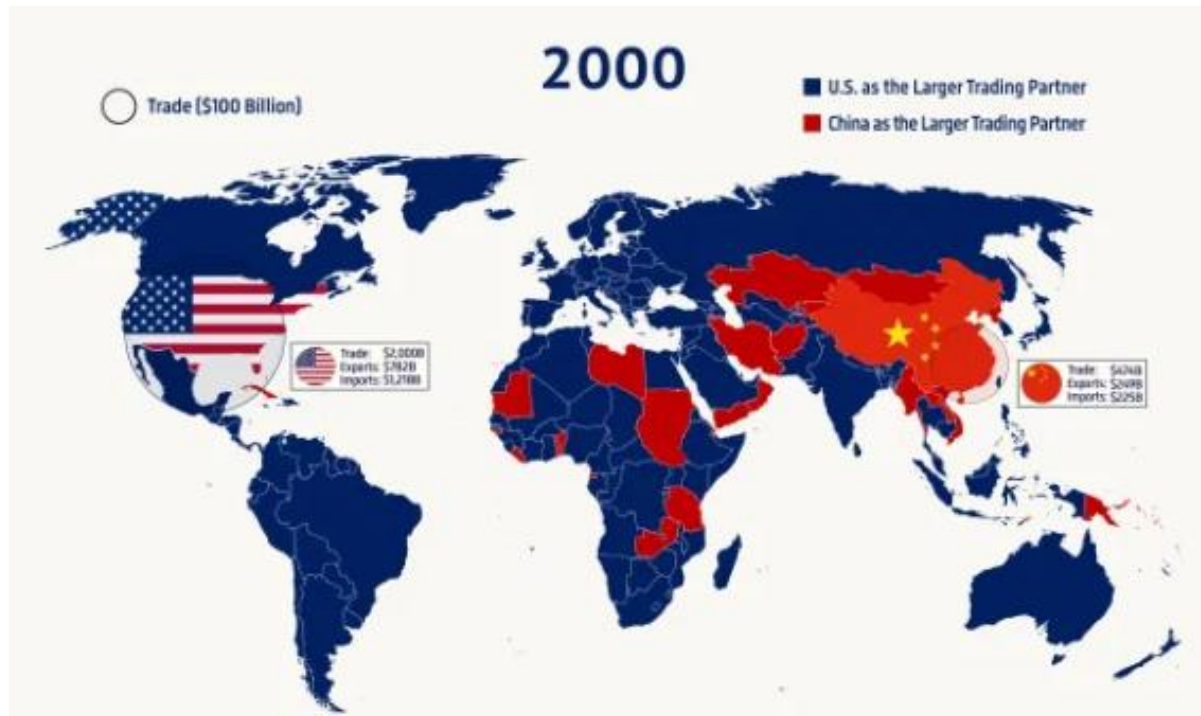
Strategy?

- SA business needs long-term certainty that can only be supplied by a WTO compliant FTA / PTA;
- Cannot always rely on AGOA extension nor inclusion;
- NB! – USTR report on Trade Barriers April 2026.
- AGOA modernization submission May 2026;
 - Political tool to encourage democratic values vs trade instrument.

The background of the slide is a blurred image of the flag of the People's Republic of China, featuring a red field with five golden-yellow stars in the canton: one large star and four smaller stars arranged in an arc.

Africa – China Economic Partnership Agreement

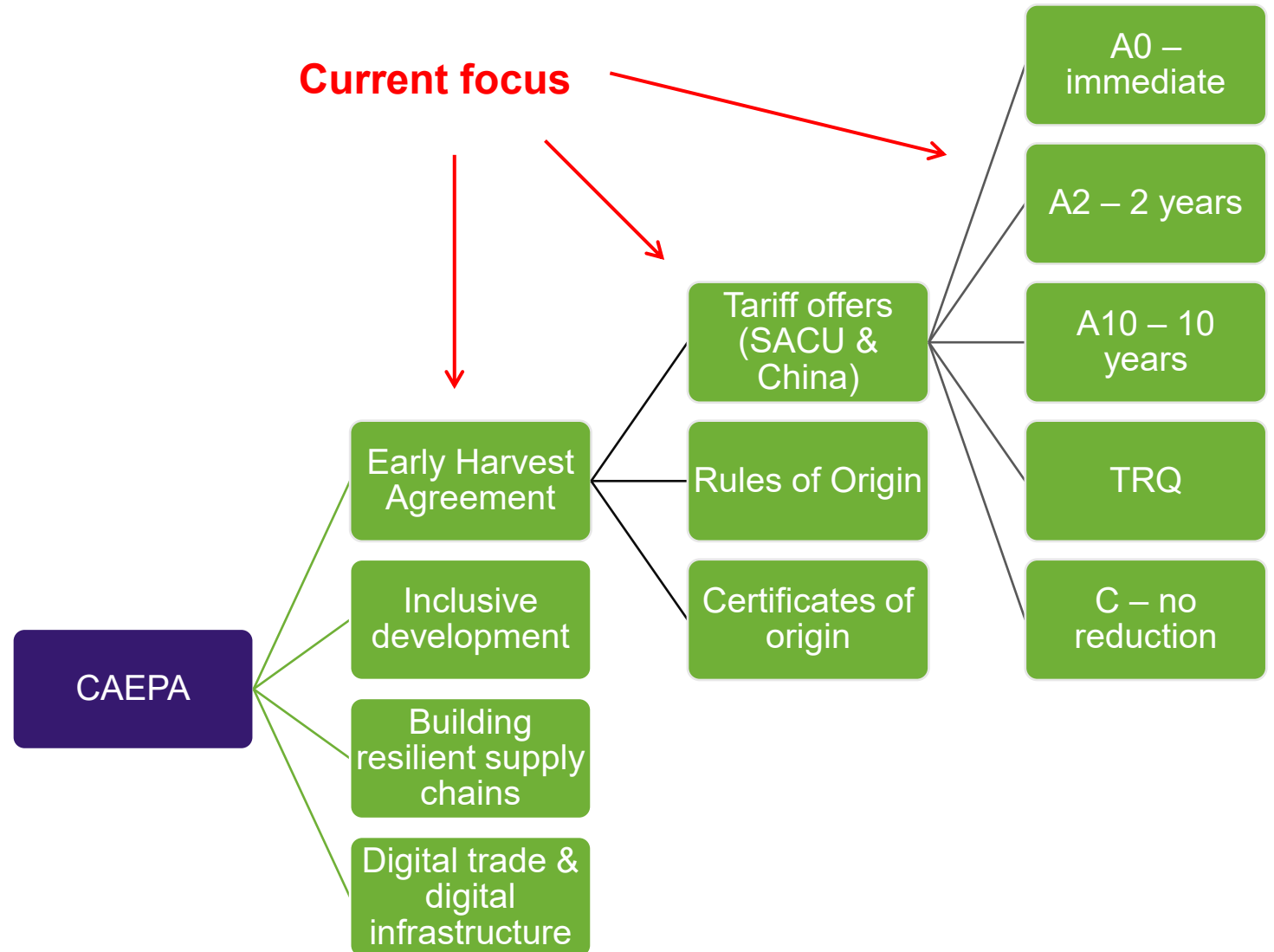
THE CHINESE CHALLENGE TO AMERICAN PRIMACY: SA MUST ADAPT IN THE CHANGING WORLD



China is now the dominant trade partner for most of Asia, Eastern Europe, the Middle East, Oceania, South America, and Africa, with a total of US\$6.2tn worth of trade vs US's S\$5.3tn

China Africa Economic Partnership Agreement

- CAEPA is a framework agreement;
- Focus now on 'Early Harvest Agreement'
- Must have reciprocity to be WTO compliant – no free lunch; however
- Need not be 100% reciprocal = SACU must offer tariff reduction but need not be equal to China's;
- 1 May 2026 – duty free access given to SA for a 2 year period to negotiate;



CAEPA Continued

What can SACU offer?

- Principled issues;
 - SACU industrialisation?
 - Offtake commitments from China?
 - Can we simply exclude all sensitive product line?
- **1 May announcement:**
- Unilateral, preferential access for SA products;
 - 2 year window whilst early harvest agreement is negotiated;
 - Includes most agricultural tariff lines;
 - **Includes berries (Vaccinium)**
 - **Cold treatment trials.**
- What will happen after 2 year? NB.

What is China offering

- China offers NB;
- 1 May 2-year access beneficial, but long-term offers:
 - Macadamias (A10);
 - Wine (A10);
 - Citrus varieties (A10);
 - Dried abalone (A2)
 - Sugar (TRQ)
 - Animal products (A0 – A10)
 - Dried fruits (some A10)
 - Stone fruit (A2)
 - Apples (A2)
 - Grapes (A10)
 - Raisins (A2)
 - **Frozen berries A0;**
 - **Fresh cranberries, bilberries and other fruits of the genus Vaccinium A10.**

	Potential markets			Threats or low potential
	Low hanging fruit	potential	High potential but complex	
Agriculture	UAE, Saudi Arabia, Japan, S Korea	Vietnam, Thailand, Philippines, Malaysia, Indonesia	China India	Brazil & other Mercosur countries
Sugar	N/A, focus on local market & biofuels			Brazil
Automotives & components	AfCFTA, Gulf markets, US, Mercosur			China
Minerals	Japan, EU, AfCFTA			
Aluminium	S Korea, EU, AfCFTA			Canada
Retail, clothing & textiles	SACU, SADC, US, East Africa			China, India , Bangladesh
Chemicals	Japan, Gulf Cooperation Area, ASEAN			China & India
Consumer goods	EU, China, Saudi Arabia & UAE, AfCFTA			Not markets but regulatory harmonisation key for China, EU & gulf

Why are we rejecting advances by Japan, S Korea & ASEAN countries & pursuing India, China & Brazil?!

Recommendations to Min Tau

1. Prioritise Quick Wins

Focus negotiations on Gulf and East Asian markets (UAE, Saudi Arabia, Japan, South Korea), where export potential is high and domestic resistance is limited.

2. Strengthen Institutional Capacity

ITAC, SARS, trade negotiators & DTIC trade desks.

3. Harmonise Master Plans

Need coherence in trade policy (export strategy vs defensive priorities)

4. Address Non-Tariff Barriers

SPS compliance systems, traceability (GS1), and standards alignment

5. Re-evaluate Engagement with the United States

viable to invest resources in negotiations that may yield minimal benefit?

Recommendations to Min Tau

6. Align Trade Policy with Industrial Master Plans

7. Streamline Trade Administration and ITAC Processes

8. Expand South Africa's Diplomatic and Trade Representation

Capacitate embassies with trade staff & link up with private sector trade efforts, attaches, & funding of trade show representation

9. Enhance Data Sharing and Private Sector Intelligence

10. Support Private Sector-Led Value Addition and Industrialisation

11. Reinforce Institutional Coordination Between the dtic and DIRCO

12. Rebalance trade diplomacy to focus on value-driven markets rather than politically driven relationships.

13. FTAs not viable for India/China? – Partial Scope Trade agreements could be a viable alternative!

ITAC & Tariff issues

Variable tariff adjustments

Wheat

- ITAC expected to formulate a final decision in May;
- Includes the increase of the reference price; and adjusted import tariffs;
- Pushback from ITAC on automatic adjustment mechanism

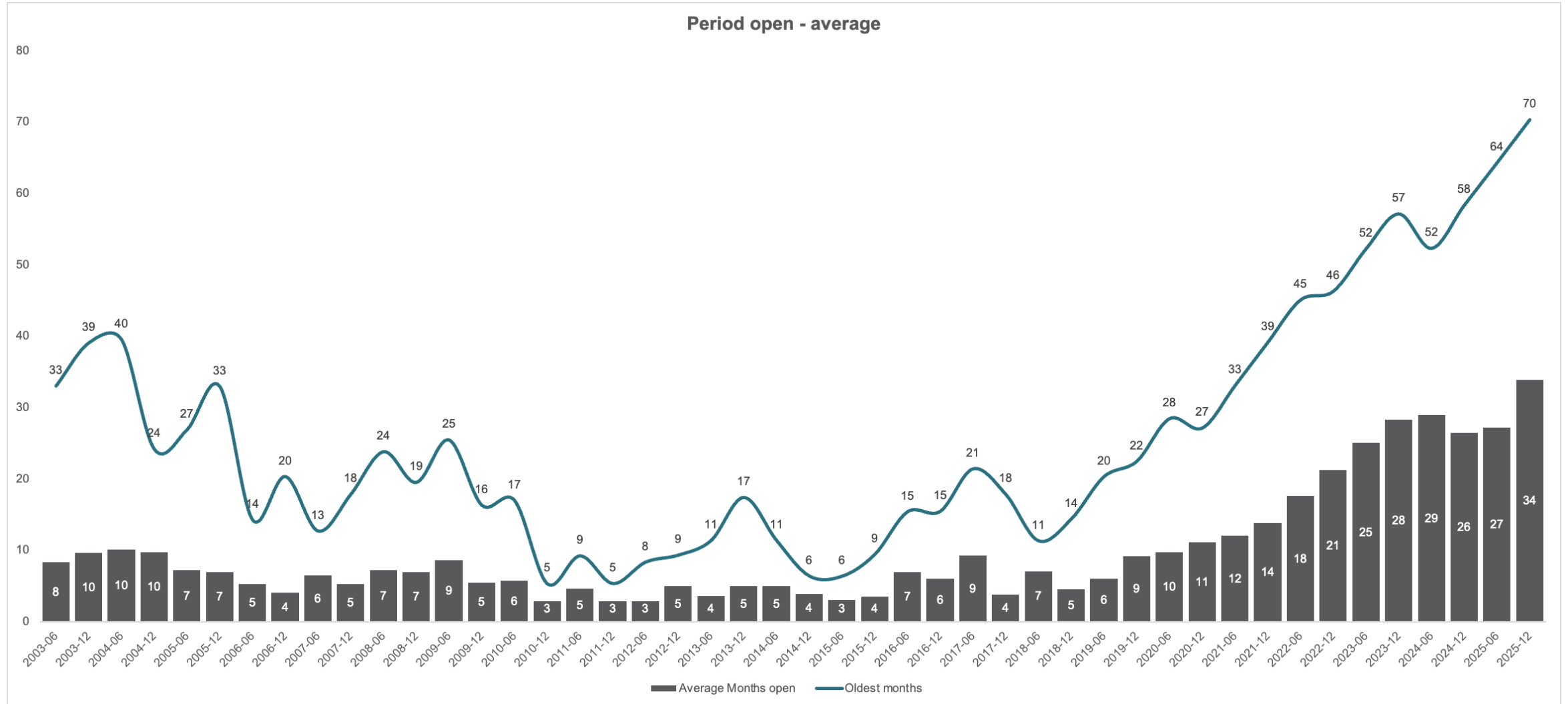
Sugar

- Under verification;
- TBC late may;

ITAC Amendment Bill

- Increased policy decisions by ITAC;
 - Investigate 'unfair' trade practices by other countries;
 - Tariffs for 'national security' reasons'
 - Tariffs 'in national interest';
- Business objections –
 - No transparency & reciprocity agreements slowing processes down;
 - keep ITAC technical;
- We have a technical institution with clear capacity gaps, now we are giving them more responsibilities?

ITAC & Tariff issues



Thank you

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