

STATUS OF TRADE RELATIONS AND ONGOING TRADE NEGOTIATIONS & Ratification of AfCFTA Protocols

**Portfolio Committee on Trade, Industry and
Competition
10 June 2025**



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Presentation Outline

- Global trade and geopolitical environment
- SA's approach to trade relations and trade policy
- Trade flows
- SA's trade agreements
- Status of trade relations and trade negotiations & agreements:
 - AfCFTA
 - SADC-EU EPA
 - SACU+Mozambique-UK EPA
 - US Trade Relations & AGOA
 - BRICS
 - G20
- Ratification of the AfCFTA Protocol on Woman and Youth in Trade
- Ratification of the AfCFTA Protocol on Competition



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Global Environment and Geopolitics



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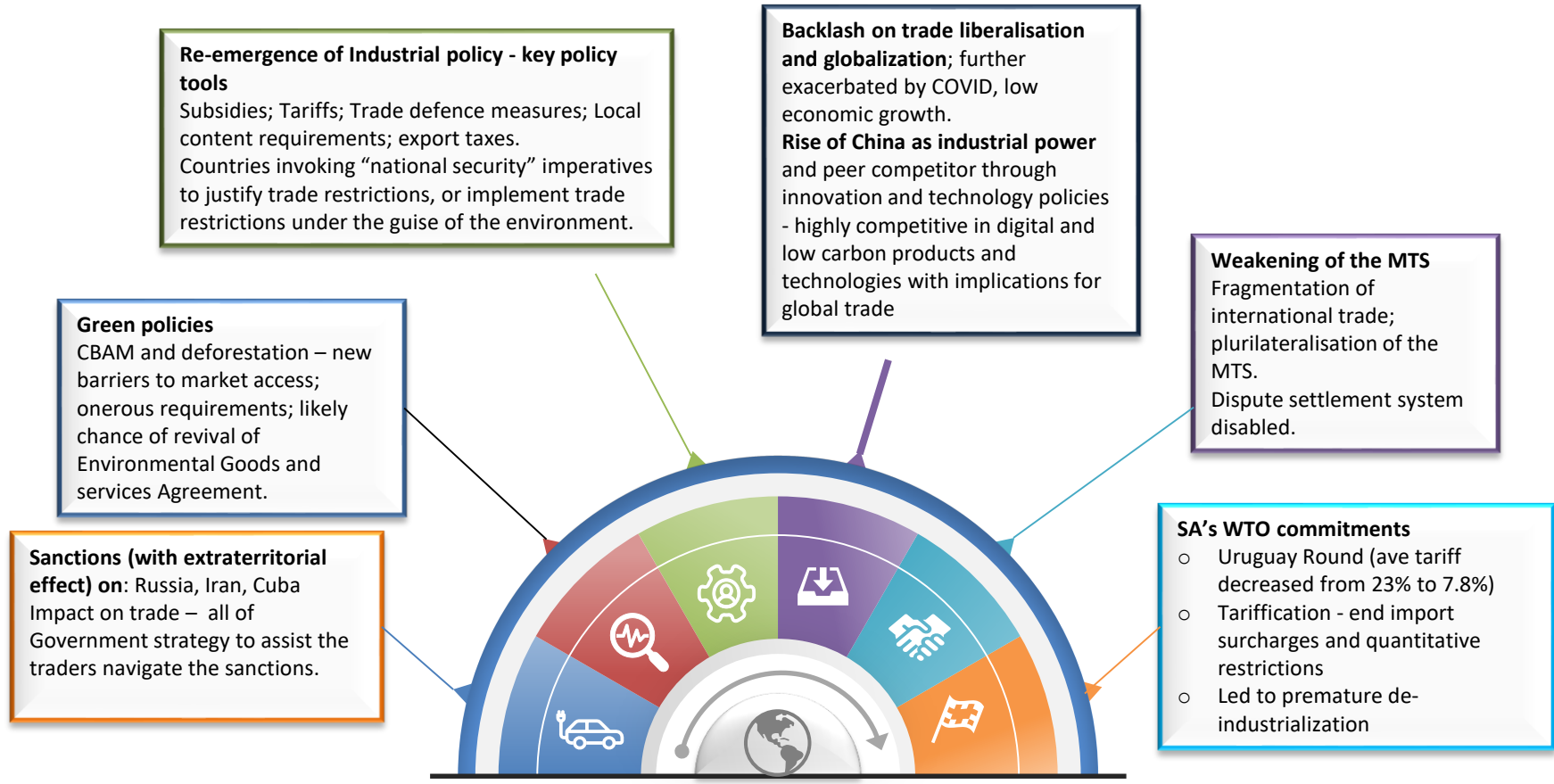
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GLOBAL DYNAMICS: A RUN-UP OVER THE PAST DECADE+



GLOBAL DYNAMICS: CURRENT GEOPOLITICS & SHIFTS

US approach

- Reciprocal import tariffs imposed on a large number of countries but suspended for 90 days
- SA doing what it can to engage to avert the 30% duty imposed on 2 April 2025.
- Alarming is that several African countries, including our 4 SACU partners, will also be subject to these reciprocal duties.

This unilateral action with widespread impact is likely to ignite trade wars. Large economies such as China would be able to enter such a war on equal footing. Protectionist measures will force other countries to retaliate, in self defence. **Trade wars will have a welfare-reducing impact globally.**

This current situation resulting in **uncertainty and unpredictability in trade** and **puts into question** the rules of the multilateral trading system.

Seismic shifts in global trade

- Disruptive.
- Result in re-ordering the economic order, from unipolar to multipolar world.
- Intensifying global competition, shifting global alliances, contested norms, economic uncertainty, and growing geopolitical tensions.
- Reciprocity
- Rise in bilateral deals
- Transactional approach to trade and investment relations

Multipolarity has pros and cons - allows for diversified partnerships, **however, it is not without risk**. As power fragments, conflicts become more complex, with risk of trade wars.

Further weakening of the MTS

Trade under WTO rules declined from 80% to 74% since start of 2025. World merchandise trade to drop 0.2% compared to 2.4% growth if tariffs were not implemented.

SA mitigation efforts to support export-led industrialisation: prioritise development integration in Africa; diversify exports to RoW; address market access barriers through trade negotiations and addressing non-tariff barriers.



Strategic approach to trade relations



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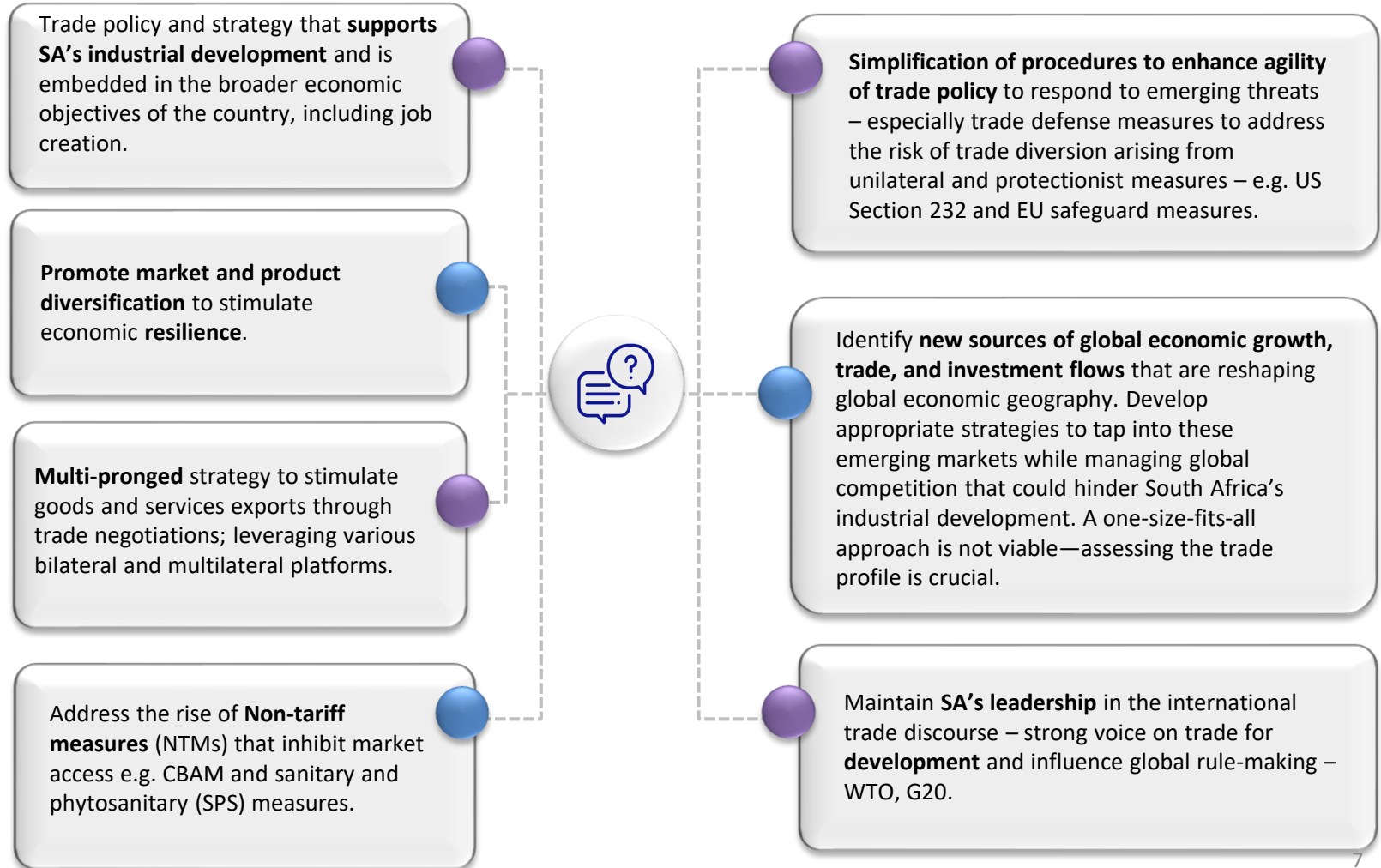
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STRATEGIC FOCUS - SA TRADE POLICY

Trade policy must support industrial development



Broad SA Trade Policy priorities

Rest of Africa	Developing countries	Developed countries	Multilateral negotiations and NPC
<ul style="list-style-type: none"> • Implement and finalise outstanding negotiations • Consolidation of existing trade agreements (SACU, SADC, TFTA) • African integration is a longstanding continental objective to overcome limitations of small fragmented economies established under colonialism. • South Africa takes a Developmental Integration approach - focus on market integration, infrastructure and industrial development to foster regional value chains through investment-led trade strategy 	<ul style="list-style-type: none"> • Promote value-added exports; currently SA exports mainly primary products, and imports manufactured products • Advance an investment-led trade strategy - attract investment in SA's labour-intensive sectors • Cooperation on supply-chains for SA's participation in their manufacturing value chains • Similar production structures which complicates negotiation of FTAs 	<ul style="list-style-type: none"> • Promote value-added exports • Facilitate inward investment into SA's productive sectors • Cooperation on technology transfer - sources of technology • Address NTBs – rise in SPS, TBT and CBAMs • Preserve SA's policy space - increasingly FTAs cover behind the border issues (e.g. investment, e-commerce, government procurement, state-owned enterprises, intellectual property rights, labour, environment, competition, and movement of business persons) 	<ul style="list-style-type: none"> • SA adopts a developmental approach: <ul style="list-style-type: none"> – Seeks to address existing imbalances in the rules and ensure fair and balanced multilateral outcomes – Seeks outcomes that enable SA to address emerging challenges such as pandemics, food security – Secure policy space to industrialise • Implement SA's policy on non-proliferation to ensure an effective export and import control regime in strategic goods and technologies.

Trade flows with selected partners



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Summary of trade

2024:

- SA global exports (goods): R2040 bn
 - Africa; EU; China; USA; UK
- SA global imports (goods): R1700 bn
 - EU; China; Middle East; Africa; USA
- SA global trade balance: +R341 bn

Trade with selected partners (2023; US\$ million)

	GLOBAL TOTAL	SACU	Africa	EU 27	United Kingdom	USA	BRICS
Exports							
Agriculture	12 915	2 255	4 827	2 532	878	563	979
Mining	54 877	2 112	6 724	6 822	3 175	4147	14 620
Manufacturing	42 816	6 165	18 122	11 375	1 254	3610	2 698
Total	110 608	10 532	29 673	20 729	5 307	8 320	18 297
Imports							
Agriculture	6 769	782	1 223	2 076	205	845	1 026
Mining	35 932	1 220	5 811	6 209	212	1174	4 855
Manufacturing	64 421	1 655	2 396	16 790	1 408	7181	25 886
Total	107 122	3 657	9 430	25 075	1 825	9 200	31 767
Trade Balance							
Agriculture	6 146	1 473	3 604	456	673	-282	-47
Mining	18 945	892	913	613	2 963	2 973	9 765
Manufacturing	-21 605	4 510	15 726	-5 415	-154	-3 571	-23 188
Total	3 486	6 875	20 243	-4 346	3 482	-880	-13 470

Data source: UNCTATStats SITC Rev.3

Status of trade relations and trade negotiations and agreements



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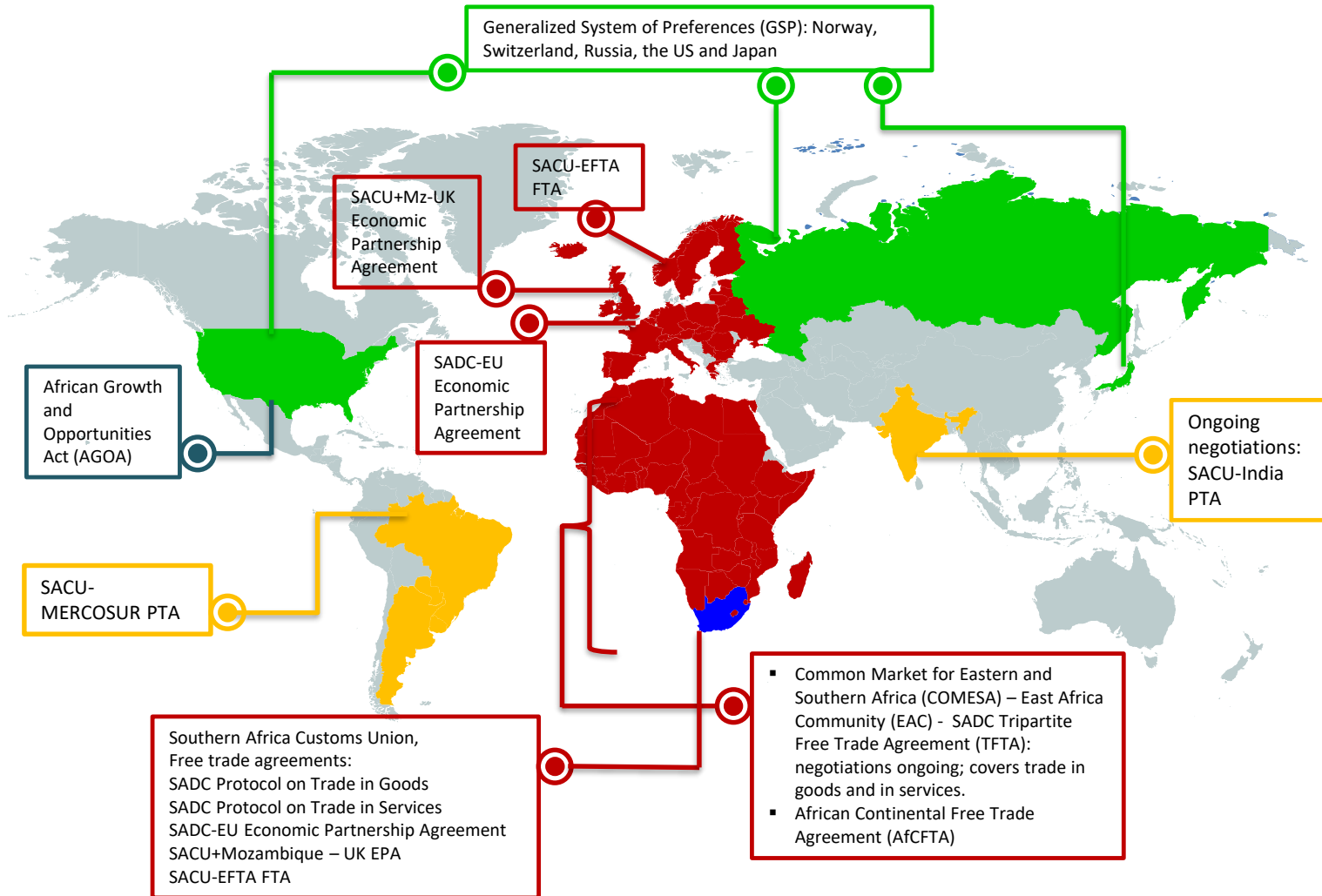
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SA TRADE AGREEMENTS



SA's Trade Agreements (2)

- SA is also party to multilateral trade agreements: several agreements under the World Trade Organisation (WTO), covering trade in goods and in services, and several agreements that set rules e.g. the Subsidies & Countervailing Agreement; and the dispute settlement body
- Note, BRICS is not a reciprocal preferential agreement, but an arrangement that promotes mutually beneficial cooperation among Members:
 - There is at this time no intention to pursue preferential (/tariff free) trade in BRICS
 - BRICS is a forum for cooperation, rather than rule making or binding agreements

African Economic Integration and African Continental Free Trade Area (AfCFTA)



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Background to the AfCFTA



- AfCFTA negotiations launched at AU Summit in June 2015.
- 54 out of the 55 AU members have signed (excluding Eritrea).
- 49 countries ratified the AfCFTA agreement (Benin, Eritrea, Libya; Somalia; Sudan; and South Sudan still have to ratify).
- CEMAC and SACU - only Customs Unions in which all its Members have ratified the AfCFTA.
- 6 EAC Members – Only South Sudan has not ratified.
- 15 ECOWAS Members - Benin has not ratified.
- Individual Members that have not ratified the AfCFTA - Libya, Somalia, Sudan and Eritrea.
- SA deposited instrument of ratification on 10 February 2019.
- The Agreement entered into force on 30 May 2019 (after 22 ratifications).

Progress in AfCFTA Negotiations and Implementation (1)

(1) Trade in Goods: Tariff offers

- 23 countries have gazetted their PSTCs/started trading preferentially under the AfCFTA:
Algeria, Botswana, Cameroon, Egypt, Ghana, Kenya, Mauritius, Namibia, Morocco, Rwanda, Tanzania, Tunisia, SA, Eswatini, Lesotho, Burundi, Malawi, Seychelles, the Gambia, Nigeria, Ethiopia, Zambia and Uganda - **New market access for SA is in the 13 non-SADC countries above.**
- All SACU Member States have gazetted the SACU Provisional Schedule on Tariff Concessions covering 90% of the tariff book (Category A).
- Implementation of the AfCFTA is ongoing and includes:
 - SA implementing tariff concessions under the AfCFTA since 26 January 2024
 - Including countries that have concluded their legal processes in its list of countries for preferential trade under the AfCFTA in the Customs and Excise Act - SA is currently in the process of including the Gambia
 - Ratification of the Protocols for which negotiations have been finalized
 - Implementation of the tariff phase down in equal instalments over 10 years – applied retrospectively from 1 January 2021. SACU adopted an LDC tariff phase down offer like other Customs Unions to accommodate Lesotho (LDC). **This means we are implementing year 5 of tariff phase downs.**
 - Increase exports - since South Africa's launch of the start of trading under the AfCFTA on 31 January 2024, SA exports under the AfCFTA have been increasing steadily; exports reached ±R820 million from February 2024-March 2025.
 - Challenges in implementation – non-adherence to the commitments in critical sectors
- Final implementation will be effected when the remaining 10% of tariff lines (Category B – 7% sensitive products and Category C – 3% excluded products) and outstanding Rules of Origin have been finalised (expected by February 2026).

Progress in AfCFTA Negotiations and Implementation (2)

2) Trade in Goods, Rules of Origin:

- RoO have been agreed on 92.4% tariff lines. The remaining 7.6% of tariff lines include Textiles and Clothing and Automotives. Negotiations are underway to finalise the outstanding Rules of Origin on these sectors (expected by February 2026).

(3) Trade in Services:

- 50 Member States have submitted initial services offers in the 5 priority sectors (financial, communications, transport, tourism and business services).
- 5 EAC State Parties namely: Burundi, Kenya, Rwanda, Uganda and Tanzania gazetted their adopted Schedules of Specific Commitments in the five priority sectors.
- SA's schedule of specific commitments on the 5 priority sector was approved by Cabinet in March 2025 and submitted to the AfCFTA Secretariat for verification. This will then be submitted for approval by the AfCFTA Council of Ministers (expected October 2025) and adoption by the AU Summit in February 2026. Negotiations on the further 7 sectors will then follow.

(4) Phase II issues:

- The AU Summit held on 18-19 February 2023 adopted the Protocols on Competition Policy, Investment and Intellectual Property Rights, with a built in agenda of negotiations on their Annexes and outstanding provisions.
- The AU Summit held on 17-18 February 2024 adopted the Protocols on Digital Trade and Women and Youth in Trade, with a built in agenda of negotiations on the digital trade annexes and a Ministerial Regulation on Preferential Market Access for Women and Youth in Trade. The Amended Protocol On Digital Trade was also adopted.
- 8 Annexes to the Protocol on Digital Trade adopted by the AU Assembly in February 2025.
- These Protocols will require ratification prior to entry into force.

Key priorities for AfCFTA implementation plan

Finalise outstanding negotiations and ratification of Phase II Protocols

- Conclude outstanding negotiations on the Annexes and built-in agenda for the Phase II Protocols (Investment, Intellectual Property Rights, Competition Policy, Women and Youth in Trade) and submit these for ratification.
- Cabinet approved and recommended to Parliament for ratification the Protocols on Competition Policy and Women and Youth in Trade in February 2025. Once ratified, South Africa will deposit its instrument of ratification with the African Union.
- The Annexes to the Protocol on Digital Trade were adopted by the AU Summit in February 2025. South Africa has commenced the processes to facilitate the ratification of this Protocol; a SEIAS is being awaited.
- Technical Negotiations are underway to conclude negotiations of the Annexes and Regulations on the Protocols on Intellectual Property Rights, Competition Policy and Women and Youth in Trade, as well as the Annex on Dispute Settlement under the Investment Protocol, by October 2025.
- Finalisation of the outstanding Rules of Origin for Autos and Textiles & Clothing as well as outstanding 10% tariff category (7% sensitive and 3% excluded products) to increase products that can be traded preferentially.
 - SA submitted initial 10% category offer to SACU Secretariat. SACU technical negotiations on SACU 10% offer to commence.
 - Objective is to conclude outstanding offers and RoO by February 2026.

SADC-EU Economic Partnership Agreement



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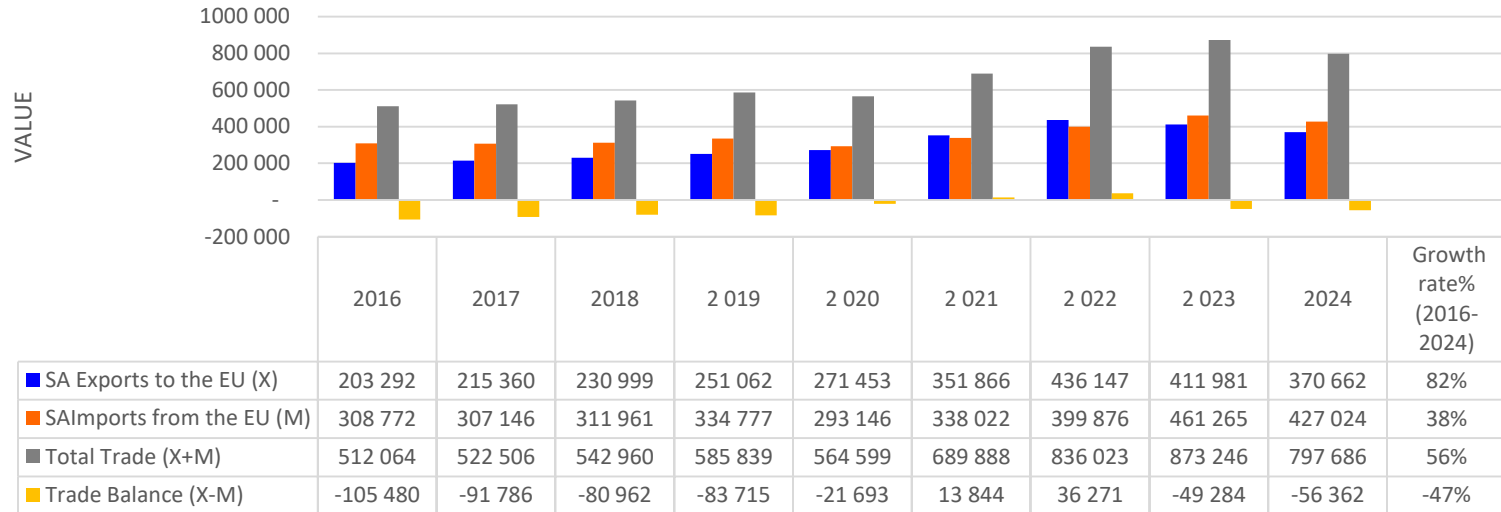
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SADC-EU Economic Partnership Agreement

- The Economic Partnership Agreement (EPA) with the EU is in force since 10 October 2016.
- SA's goods export basket comprises of approximately 12% Agriculture & agro-processing; 33% primary resources; and 55% Manufactured products. (2023)
- The trade balance in Goods trade fluctuates; EU enjoys a surplus in Services trade.
- Total trade between SA and the EU grew by 56%, rising from approximately R512 billion in 2016, when the Economic Partnership Agreement (EPA) came into force, to R797.7 billion in 2024.
- SA exports to the EU increased by 82% from approximately R203.2 billion in 2016 to R370.7 billion in 2024; at the same time, imports from the EU increased by 38%, from approximately R308.8 billion in 2016 to R427 billion in 2024.

SA-EU Trade

SA-EU TRADE IN GOODS (2016-2024; R mn)



SA-EU TRADE IN SERVICES (2022; million US\$)

Trade in Services (2022; million US\$)	EU imports from SA	EU exports to SA	Trade balance for SA
Services	\$4 862 million	\$11 750 million	-\$6 888

Data source: UNTADStats

SADC-EU Economic Partnership Agreement

- SADC-EU EPA is to be reviewed no later than five years after its entry into force; SA should attempt to address the imbalances in the review.
- Although SA is exporting more industrial products to the EU, it is still mostly in the automotive sector. There is a need to diversify SA's export basket to include more variety and benefit from the prevailing conditions to penetrate the EU market.
- A priority of the SA Government is to move to a more sustainable that promotes local value addition, including processing of minerals as close to source as possible, and contributes to move SA up the value chain.
- Challenges in implementation:
 - Rise in environmental protectionism with negative impact on exports - CBAM, deforestation, methane regulation
 - Rise in more trade restrictive SPS and TBT measures, including on citrus, horses, game meat, poultry, steel, automobiles, wine certification. Amarula almost resolved.
 - On citrus – SA has lodged disputes at the WTO with the EU on CBS and FCM - dispute ongoing

Outcomes of the SA-EU Summit

- The SA-EU Summit took place on 13 March 2025 - New Partnership that supports economic growth, sustainable development, industrialisation, beneficiation of critical minerals at source, partnerships with local industries and a just decarbonisation agenda
- The outcomes packages of the Summit included:
 - An announcement by the EU of an investment package of EUR 4.7 billion.
 - Commitment from the EU to deliver short and long term solutions without delay to enable Sasol to export sustainable fuel to the EU, including addressing compliance and regulatory issues.
 - EVs and hybrid vehicles: committed to work with SA to find a sustainable solution without delay to facilitate SA exports of EVs and Hybrid vehicles to the EU market under the SADC EPA provisions on cumulation, incl cooperation on battery manufacturing.
 - Engage with SA on the interest to set up an export certification node for diamonds in SA and extended the implementation of new regulations on certification of polished/processed diamonds from 1 March 2025 to 1 January 2026.
 - EU's positive completion of the technical assessment of SA's Residue Monitoring Plan (RMP) that will enable the resumption of exports of Amarula from SA to the EU was noted.
- Launched negotiations of a Clean Trade and Investment Partnership (CTIP), the first of its kind. The CTIP will complement existing agreements between the two parties and will provide a forum to discuss ongoing and new EU investment projects in cleaner supply chains.

SACU+Mozambique-UK EPA



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SACU+Mozambique-UK Economic Partnership Agreement

- EPA with the UK “rolled over” the SADC-EU EPA commitments into new agreement to avoid trade disruption when the UK exited the EU on 31 January 2020.
- The SACUM-UK EPA entered force on 1 January 2021.
- Total trade between SA and the UK increased from R110.2 billion in 2019 to R128 billion in 2024, while our exports increased from R67.7 billion in 2019 to R100 billion in 2024.
- Exports to the UK are concentrated in raw materials. SA’s top 5 export products to the UK constituted 40% of SA total exports in 2024. Of these top-5 exports, 62% was in precious metals and ores; 33% in vehicles; and 5% in fresh fruit.
- The Agreement included a list of follow-up issues under a Built-in Agenda - such as Tariff Rate Quotas, Export Taxes and Sanitary and Phytosanitary (SPS) matters.
- Currently the Parties are engaged in technical exchanges on the provisions of the Agreement including on the built-in agenda.
- First Joint Council Meeting under the SACUM-UK EPA was held in Gaborone, Botswana, on 28 January 2025.

UK CBAM

- The United Kingdom also published a proposed CBAM measure in March 2024 and provided opportunity to comment on this proposal until 13 June 2024.
- In the UK's introduction to the CBAM it is mentioned that the "UK CBAM is to address carbon leakage risk" and the sectors identified to mitigate carbon leakage in are: aluminium, cement, ceramics, fertiliser, glass, hydrogen, iron and steel.
- Based on the list of goods covered under the UK CBAM, a total of US\$223 million (approximately R4.3 billion) of South African exports (based on 2023 data) is at risk in the short term. This is about 4.2% of all South African exports to the UK, and about 0.2% of total South African exports to the world.
- The dtic worked with industry stakeholders to prepare a response that was submitted to the UK in June 2024, highlighting the implications of the proposed CBAM on the SA economy and calling for an exemption or longer transition period.
- The UK decided to go ahead with the proposed CBAM without exemption of some countries and longer transitional period.
- South Africa continue to engage the UK on the design of the CBAM and calling for longer transition period and equivalence for the South African carbon tax.
- The UK has published draft primary legislation on CBAM proposed for technical consultation; comments can be submitted until 3 July 2025.
- The dtic is working with industry stakeholders to prepare comments on the draft legislation.

SA-US Trade Relations & AGOA



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The SA-US Relationship

- The US is a significant market for SA goods and a key source of investment.
- The US is SA's second largest *national* trading partner, after China.
- SA-US bilateral trade (in **goods**): \$20.7 bn (2024; *mirror data*)
 - SA exports: \$14.9 bn
 - SA imports: \$5.8 bn
- SA-US bilateral trade (in **services**): \$5.6 bn (2024; *mirror data*)
 - SA exports: \$2.187 bn
 - SA imports: \$3.515 bn
- 9% of SA global exports are destined for US (average over 2021 – 2023)
- SA is:
 - the largest sub-Saharan African importer of goods from the US; and
 - the biggest source of foreign direct investment to the US from the African continent
 - a crucial supplier of raw materials to many US supply-chains
- There are more than 600 US firms in SA, many using SA as a gateway to other African countries

SA-US Comprehensive Relations

Trade in goods (2023; million US\$; direct data)	SA exports to US	SA imports from US	Trade balance for SA
Agriculture	563	845	-277
Primary commodities	4 147	1 174	2 968
Manufacturing	3 610	7 181	-3 571
Total	8 320	9 200	-880

- *Data source: UNTADStats*
- South Africa's goods export basket comprises approximately 43% Manufactured products; 50% Mining Commodities and 7% Agriculture (2023).
- The trade balance in Goods trade fluctuates; the US consistently enjoys a surplus in Services trade.

Trade in Service (2024; million US\$)	US Imports from SA	US Exports to SA	Trade Balance for SA
Services	\$2 187 mn	\$3 515 mn	-\$1 331 mn

- *Data source: USITC*

The SA-US Trade Framework

- South Africa exports products to the US under three trade regimes. In 2024:
 - 72% of SA exports to the US went under the Most Favoured Nation (MFN/WTO) terms;
 - 26% under AGOA; and
 - 2% under the General System of Preferences (GSP)

South Africa's Exports to the United States per Program US\$'000					
	2020	2021	2022	2023	2024
SA AGOA EX	\$ 1 178 223	\$ 2 072 296	\$ 3 015 291	\$ 3 231 977	\$ 3 761 021
SA GSP EX	\$ 714 265	\$ 625 197	\$ 597 868	\$ 335 438	\$ 320 837
SA MFN EX	\$ 9 360 077	\$ 12 742 923	\$ 10 833 388	\$ 10 295 248	\$ 10 520 822
Other SA Ex	\$ 11 116	\$ 6 433	\$ 7 155	\$ 9 287	\$ 10 469
Total SA EX	\$ 11 263 681	\$ 15 446 849	\$ 14 453 701	\$ 13 871 951	\$ 14 613 148
AGOA EX % share of total Ex	10%	13%	21%	23%	26%
GSP EX % share of Total Ex	6%	4%	4%	2%	2%
MFN EX % share of Total Ex	83%	82%	75%	74%	72%

America First trade policy

- Key focus areas for the US Administration
 - Tariffs – as a revenue generation measure, negotiating tool and to promote balanced trade relations
 - Trade deficit
 - Addressing non-tariff barriers
- Implemented on 2 April 2025, reciprocal tariffs on all trading partners, with SA facing a 30% tariff. On 9 April 2025, these were paused for 90 days ending 9 July 2025 to enable countries to put forward proposals on how to address US concerns.
- SA has put forward a proposal for a Framework Agreement, still to be negotiated, that must promote mutually beneficial relations and SA's development needs and has the following elements:
 - procurement of gas from the US with investment in infrastructure and technology cooperation to unlock production in SA
 - addressing agricultural market access from both side
 - promoting two-way investment in critical sectors
 - cooperation on critical minerals that promotes beneficiation and leverages SA's minerals processing capabilities
 - cooperation among DFIs
 - tariffs in a manner that protects common external tariff and SACU
 - Cooperation on digital trade
 - While the negotiations are ongoing, SA has put forward a proposal that the tariffs applicable to SA, should be lower or not more than 10%, the preferential market access for key value added products be preserved and AGOA preferences be maintained
 - Must preserve regional integration and industrial capabilities

Impact of the potential loss of AGOA

In the absence of AGOA, SA products will face tariffs in the United States that will make them less competitive:

Sector	MFN duty	2024 SA Exports to the US	Projected cost (duties that importers will have to pay)	In the event that reciprocal tariffs are levied against SA exports	Projected costs – importers will pay based on 2024 exports
Automotive vehicles	2.5%	\$ 2,407,359 million	\$60.33 million	25%	\$601.88 million
Auto parts – parts for spark-ignition	2.4%	\$ 50.51 million	\$1.6 million	25%	\$12.62 million
Citrus	1.9 cents/kg	\$ 55,84 million	\$2.23 million	30%	\$16.75 million
Wine	6.3 cents/liter	\$ 29,93 million	\$1.99 million	30%	\$8.98 million
Edible ice	17%	\$ 33,06 million	\$ 5.26 million	30%	\$9,91 million
Inorganic chemicals	3.7%	\$ 39.46 million	\$ 1.46 million	Exempted	Exempted
Catamarans (boats)	1.7%	\$ 68,48 million	\$ 0.9 million	30%	\$20,48 million

BRICS



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SA's BRICS approach

- Build on strong bilateral relations with BRICS partners, including new members (Iran, Saudi Arabia [not yet joined officially], UAE, Egypt, Ethiopia and Indonesia that joined on 1 January 2025).
- Facilitating foreign direct investment into the productive sectors with BRICS partners including new members.
- Explore new areas of economic and trade cooperation.
- Use it as a platform to amplify the voice of emerging and developing countries on global issues of interest through coordination of messages and positions, where possible.
- Coordinated message on global governance reform issues related to the UN, Bretton Woods institutions and the WTO.
- Build mutually-beneficial trade and investment relations that promote value-added trade and economic transformation with BRICS partners, including new members.
- Deepen economic cooperation to advance SA's development imperatives.

Brazil Presidency of BRICS 2025

- Brazilian Presidency's key initiatives for trade and investment in 2025 focuses on BRICS strengthening of multilateral trading system and WTO reform, leveraging the data economy across BRICS digital economy community, the Review of BRICS Strategy for Economic Partnership 2030, cooperation on Trade Facilitation and Sustainable Development.
- The BRICS Trade Ministers meeting was held on 21 May 2025. Trade ministers exchanged views on major global and regional trends and challenges related to trade and investment and adopted the following documents:
 - BRICS Joint Statement on Strengthening Multilateral Trading System
 - BRICS Data Economic Governance Understanding
 - BRICS Framework on Sustainable Development.
- Trade ministers instructed the CGETI to finalize the BRICS Strategy For Economic partnership 2030 document and submit it to the Leaders Summit for endorsement.
- The XVII BRICS Summit will be held on 6-7 July 2025 in Brazil.

G20



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SA's Presidency of G20

- The theme for South Africa's G20 Presidency is **Solidarity, Equality, Sustainability**.
- SA's G20 presidency proposes the following four priority issues for discussion under the Trade and Investment Working Group;
 - **Trade and inclusive growth** – this agenda item is aimed at building on previous G20 presidency's Trade for Growth and Prosperity agenda with a view to work towards principles to guide G20 Members to foster inclusive growth and sustainable development. This will include the development of the G20 Africa Cooperation Agenda. An important segment of this theme should address common or shared challenges resulting from distributive effects of trade with adverse outcomes for economically excluded regions within countries. A compact for social inclusion should offer strategies that enable G20 countries to respond to these challenges and build resilience in communities.
 - **Responsive trade and investment agenda to address the challenge of global commons**, covering matters of climate change, digital inclusion, preparedness for future pandemics, food security, resilience and diversification of global value-chains to promote sustainable development. This will also include the identification of the trends in the Investment Treaty Regime and a reform toolbox for addressing the global commons, including the energy transition.
 - **G20 framework on green industrialisation and investments** - with a view to ensure progress towards the grand bargain that promotes value addition of critical minerals close to the source and the development of low-carbon manufacturing value chains which can support global decarbonisation and industrial adaptation.
 - **WTO Reform** – deliberation on the development dimension of the WTO, including WTO reform, with the expected outcome being a Statement on the WTO.

South Africa's ratification of the African Continental Free Trade Area (AfCFTA) Protocol on Women and Youth in Trade



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Objectives of the Protocol

- The AU Summit held in February 2024 adopted the Protocol on Women and Youth in Trade.
- The **broad objectives** of the Protocol are to maximise the opportunities presented through the implementation of the Agreement by addressing some of the challenges facing women and youth in trade.
- The **specific objectives** of this Protocol are to
 - Support and enhance the effective participation of Women and Youth in intra-Africa trade;
 - improve the inclusion of Women and Youth in Trade in the implementation of the AfCFTA to achieve sustainable economic development at the national, regional, and continental levels;
 - strengthen the capacity of and access to opportunities for Women and Youth in Trade;
 - promote value addition and innovation for increased imports and exports by Women and Youth in Trade;
 - support the inclusion of Women and Youth in regional and continental value chains; and
 - support measures that promote the formalisation of trade activities of Women and Youth.

Key provisions of the Protocol

- Elimination of Non-Tariff Barriers affecting Women and Youth in Trade
- Inclusive Socio-Economic Development to promote and facilitate the empowerment and the effective integration of Women and Youth in Trade
- Participation in Policy Formulation and National AfCFTA Implementation to promote and strengthen the full and active participation of Women and Youth in the formulation, implementation and review of policies and programmes related to this Protocol.
- Harmonisation of National, Regional and Continental Programmes to support Women and Youth in Trade
- Encourages Members to enhance access to Finance for Women and Youth in Trade
- Development of Productive and Export Capacity
- Access to Trade Information

Key provisions of the Protocol (cont.)

- Intellectual Property Rights with a specific focus on the establishment of mechanisms to assist Women and Youth in Trade in the registration and use of Intellectual Property Rights.
- Competition Policy to promote fair and equitable competition to support the entry and effective participation of Women or Youth-owned and Women or Youth-led Businesses in the AfCFTA Market.
- Participation in Formal Trade Activities by Women and Youth in Trade
- Protection against Harassment and Related Practices
- Digital Trade to ensure that digital regulatory and institutional frameworks support Women and Youth in Trade to facilitate access to digital trade platforms, tools and solutions to trade; and
- Measures to facilitate and support business associations and business clusters of Women and Youth in Trade and Women and Youth-owned or led Micro, Small and Medium size Enterprises
- The development of a Ministerial Regulation for Preferential Market Access

Importance of the Agreement for SA

The Protocol on Women and Youth in Trade aims to ensure the use of the AfCFTA Agreement as a jobs-driven strategy, with special focus on an expansion of labour-intensive sectors and those with strong rural and women-employment linkages. In view of the opportunities provided by this Protocol, there is a need for key government departments to jointly explore and enhance the implementation of national policies targeting women and youth, for example: incentives and export promotion activities and trade-related technical assistance to women and youth-owned enterprises, safety at border posts, etc.

Current status of Protocol in the ratification process:

- The Protocol was tabled in Parliament on 04 June 2025.

South Africa's ratification of the African Continental Free Trade Area (AfCFTA) Protocol on Competition



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Objectives of the Protocol

- AfCFTA Competition Protocol derives its existence from Article 7 of the AfCFTA Agreement.
- Protocol on Competition Policy adopted in February 2023 at the 36th AU Summit in Addis Ababa, Ethiopia.
- Establishes a continental competition regime.
- Enhances competition within AfCFTA for:
 - Market efficiency
 - Inclusive growth
 - Structural economic transformation
- Addresses anti-competitive practices across borders. Practices targeted:
 - **Cross-border cartels** not regulated effectively at national/regional level.
 - **Mega mergers** with continent-wide impact. Similar deals include: *Glaxo Wellcome/SmithKline Beecham* (2000); *AB InBev/SABMiller* (2015)
 - **Abuse of dominance** by large multinational firms in key sectors, including in e-commerce

Importance of the Protocol for Africa

A need for the development of a competition policy to address competition issues, including:

- International cartels that affect trade and competition.
 - 16 international cartels, with global operations, harmed trade by an estimated \$55 billion in 2023.
 - Competition authorities exposed important international cartels.
 - No country managed to avoid cement, asphalt, or sugar cartels.
- Cross-border cartels within continental markets are not adequately regulated by existing national and regional competition authorities.
- Mergers between firms generating significant revenue within or from the continent.
- Anti-competitive practices by dominant firms that reside outside of the African continent, such as platforms like e-commerce and social media firms.
- The Protocol will set rules regulating the conduct of firms, and not that of State Parties (Governments).
- The Protocol seeks to regulate competition issues related to economic activity on the continent that has a continental dimension, except those falling within the jurisdiction of individual State Parties.

Importance of the Agreement for SA

- The Protocol reinforces SA's ability to combat international anti-competitive practices and aligns to SA's policy objectives and existing national legislation.
- It supports establishment of a conducive environment to promote: Industrialisation; Innovation; Sustainable economic development; Consumer welfare
- South Africa's competition authorities, capabilities and legislative framework are highly regarded and emulated regionally, continentally and internationally.
- The Protocol complements SA's current competition legislative framework supports the creation of fair African markets, therefore no legal and financial implications
- To the extent that certain instances give rise to concurrent jurisdiction, such instances shall be governed by the regulation on concurrent jurisdiction – the terms of which remain subject to drafting and negotiation by the AfCFTA Competition Policy Committee.
- Next steps at AfCFTA level – negotiations to drafting accompanying regulations.

Current status of Protocol in the ratification process:

- The Protocol was tabled in Parliament on 04 June 2025.

Thank you



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Acronyms

BRICS	Brazil, Russia, India, China, South Africa
CBAM	Carbon Border Adjustment Mechanism
AfCFTA	Africa Continental Free Trade Agreement
AGOA	Africa Growth and Opportunity Act
AU	African Union
EPA	Economic Partnership Agreement
EU	European Union
GSP	Generalised System of Preferences
IPR	Intellectual Property Right
MFN	Most Favoured Nation
NEDLAC	National Economic Development and Labour Council
SACU	Southern African Customs Union
SADC	Southern African Development Community
SSA	Sub Saharan Africa
TFTA	Tripartite Free Trade Agreement
UK	United Kingdom
US	United States of America
WTO	World Trade Organization



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Annex A

Additional information

- African Economic Integration and African Continental Free Trade Area (AfCFTA)
- SACU-EFTA FTA
- SACU-MERCOSUR PTA
- Global Environment and Geopolitics



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Market integration through the AfCFTA

Traditionally, economic integration efforts merely focused on market/trade integration

Trade integration becomes unsustainable if the opportunities are not spread across all partners

Among countries of uneven levels of development, economic integration cannot merely be done through trade/market integration. Building a production/manufacturing base is essential to be able to benefit from market integration.

Therefore, new approach underpinned by a Developmental Integration model, i.e. focus on African integration to promote industrialisation (investment in productive capacity and regional value chains) and supported by infrastructure development (to facilitate movement of goods and services)



AfCFTA

sets out a framework for tariff liberalisation across Africa, the harmonisation trade related rules to encourage greater flows of intra-African trade and investment.

Largest FTA in the world by number of countries and is a comprehensive trade agreement focusing on Trade in Goods, Trade in Services, Rules and Procedures for the Settlement of Disputes, Competition Policy, Intellectual Property Rights, Digital Trade, Investment, as well as Women and Youth in Trade.

Preserves current sub-regional arrangements such as SADC as building blocs, i.e. involves negotiations amongst Members/Regions without existing preferential arrangements in place. Therefore, SA/SACU will continue to trade with SACU and SADC under existing regional trade arrangements but new market access opportunities beyond SADC.

Rationale for the AfCFTA

Intra-Africa Trade

- Intra-Africa exports grew to 16.6% in 2023, from 16.3% of Africa's total trade in 2018-2020; Low compared to intra-Asian trade (55%), intra-North American trade (49%), and intra-EU trade (63%)
- AfCFTA is critical to create a single market in Africa, to create economies of scale, increase intra-Africa trade, create regional value chains, promote beneficiation at source and promote investment

AFRICA

- 17% of world population
- 4% of global GDP
- 2% of world manufacturing
- 3% share of world trade



Key SADC markets for SA

- Mozambique, Botswana, Namibia, Zimbabwe, Zambia
- Huge opportunity to expand exports to West, Central, East and North Africa
- Preferential trade already taking place: SACU, SADC and AfCFTA) - priority is negotiation of concessions based on development integration agenda

African markets are vital to African exporters

- main export market for 22 African countries
- Over ¾ of intra-Africa trade within regional blocs
- Intra-Africa trade is largely in value-added manufactured products

What is needed?

- Development of value chains to increase trade and investment: export and investment-led approach to build industrial capacity in RoAfrica
- Improving SA competitiveness is critical: Competition in the RoAfrica is increasing

African market is important for SA manufactured goods and services

- SA accounted for 29.7% of intra-Africa exports in 2023 (R547 billion in 2023).
- In 2023, 61.1% of SA exports to Africa were manufactured products (compared to 38.7% in its global export basket).
- Significant imports into SA: oil, electricity and gas, and water.

SACU-EFTA



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SACU-European Free Trade Association (EFTA) Free Trade

- FTA in place with EFTA countries since 1 May 2008.
- EFTA countries: Switzerland, Norway, Iceland and Liechtenstein.
- Total trade between EFTA States and SA decreased from R28 billion in 2019 to R23.4 billion in 2024.
- Over this period, South Africa's exports decreased from R14.4 billion to R8.5 billion.
- Parties are currently reviewing the Agreement.
- Main issues for review: market access for agriculture, Rules of Origin, and trade and sustainable development provisions.

SACU-MERCOSUR



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Implementation of the SACU-MERCOSUR Preferential Trade Agreement (PTA)

- PTA entered into force in April 2016 from the SACU side.
- MERCOSUR offers tariff preferences for 1 064 product lines across 16 sectors.
- SACU offers tariff preferences for 1 052 product lines across 17 sectors.
- General Trade:
 - In 2024, South African total exports to MERCOSUR were R8.4 billion, a decline of 27.6% from R11.6 billion in 2023.
 - During the same period SA imports were R34.1 billion an increase of 7.6% from R31.7 billion in 2023.
 - During this period, South Africa experienced a trade deficit of R25.7 billion.
 - Trade under the preferences of the PTA is a small component of general trade between SACU and MERCOSUR due to the limited scope of concessions between the Parties.
 - Top imports for SACU from MERCOSUR include unspecified commodities; chicken portions; maize; unwrought zinc; oil cake and other solid residues; and coffee in 2024.
 - Top exports for SACU from MERCOSUR include Catalytic converters; Non-agglomerated iron ores and concentrates; Anthracite; Plates, sheets and strip, of aluminium alloys; Zirconium ores; and Nickel in 2024.
- Both SACU and MERCOSUR are working to increase utilization of the preferences