Economic Environment

South Africa must get ready for an inevitable loosening of trade ties with the US
In six months’ time the world’s gaze will be trained on what is gearing up to be a contentious and hotly contested presidential election in the US. Irrespective of who emerges victorious between the incumbent President Donald Trump and the Democratic nominee Joe Biden South Africa needs to start thinking about what it stands to lose – or gain – from the new administration’s stance.

This is especially so in the area of economic relations. Since 1994, trade and investment ties between the US and South Africa have evolved against the backdrop of a complicated political and diplomatic setting.

What this means is that South Africa can no longer rely on Agoa as the centrepiece of its economic partnership with the US. Agoa is not a negotiated, reciprocal agreement: it is an American initiative that provides non-reciprocal trade preferences to African countries. The US can arbitrarily suspend or withdraw its benefits to participating nations.

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US: Premium Wine Falls Victim to Coronavirus
Premiumization might be over for wine as producers look to offer value ahead of prestige to an uncertain market. While wine sales generally have been less than ideal in recent years, much of the premium segment has managed to maintain bull market prices and sales; according to Rob McMillan’s State of the Wine Industry Report 2020, while the average growth rate in sales of bottom-quartile performers was negative 7.82 percent, in the upper quartile, it averaged out at 22.34 percent.

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South Africa’s on-premise wine trade faces challenging times
Although the South African wine industry resumed the domestic sale of liquor products for off-premise consumption by licensed vendors on Monday, the industry is still not out of the woods.

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