

SA has potential to up exports to Japan

South Africa has the potential to increase exports to Japan, the July TradeProbe of the National Agricultural Marketing Council (NAMC) reported today, Wednesday 28 July 2010.

According to the report, South Africa needs to explore Japan's market for new products that appear to be growing in demand and also diversify their products.

"Its [Japan's] emerging need for processed, frozen, packaged, and ready-made meals of convenience provides South African agricultural products with an exports opportunity in the Japanese market," the report showed.

Products potential

The TradeProbe added that exports of fresh fruits, cut flowers, foliage and processed vegetables have the potential to be increased through a greater effort in marketing and cost control.

Japan is the third largest importer of agricultural produce in the world, after the USA and the European Union.

South African exports to Japan include wine, fruit juices, sugar and canned fruits.

South Africa's total unprocessed agricultural exports to Japan declined by 28% from R435 million to R313 million between 2008 and 2009, according to the report.

The picture was slightly different for processed exports.

"Processed products increased by 19% from R768 million to R916 million. The agricultural trade balance between South Africa and Japan in 2009 yielded a surplus of R1.212 billion rand for South Africa," the report showed.

Beating high tariffs

Japan's agricultural products enjoy relatively high levels of tariff protection at 24.87% compared to just 1.96% for industrial products.

"Efficient and competitive production of high valued food and agricultural products is South Africa's only way of winning against high applied tariffs, tariff peaks, and tariff escalations of the processed agricultural products," the report concluded.

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