

AGRICULTURAL TRADE POLICY INSTITUTE (ATPI)

Public Lecture no. 2 Report

Speaker: Prof Johan van Rooyen

Topic : Coming to grips with Agri-Competitiveness

Date : Thursday, 4 March 2021

Time : 19h00-21h00

Venue : NUST Engineering Board Room

SPEAKER PROFILE:

Johan van Rooyen is currently a director of “The Standard Bank Centre for Agri-leadership and Mentorship Development” and a professor in Agricultural Economics at Stellenbosch University. His research, teaching and outreach centres on Agri-business strategy, Agricultural and rural development and Business cases at the University of Stellenbosch and also lectures at the Universities of Free-State, Pretoria, Antwerpen and the University of Ghent, Belgium. To date he has published more than 100 peer group refereed scientific papers, five academic books on Agri-business and Agri-development and presented over 100 papers at local and international events. Prof van Rooyen is a NRF rated scientist and serve on a number of boards on agri-business companies and agencies, and he is currently a board member of the International Agri-business and food industry Management Association (IAMA). Furthermore, he is serving on an expert panel of the World Competitive Report, University of Lausanne, Switzerland. He served as a ministerial appointment on the Agri-BEE steering committee; managed the drafting of the SA Wine Industry Transformation Charter and BEE Score Card; served full terms on the boards of the SA agricultural research council. He worked for the Development Bank of South Africa as an Executive Group Manager, Agriculture and Rural Development; Director of the Centre for Policy Analysis; Director of the Postgraduate School for Agricultural and Rural Development and Professor in the ABSA Chair of Agri-business chamber of SA; CEO of the SA Wine Industry Council. His achievements include: President of The Agricultural Economics Association of South Africa, Chair of the Agricultural Outlook Conference in Cape Town and Operate as Specialist Consultant in Agri-business, Strategic Planning and Police Development.

AUDIENCE PROFILE:

- The audience comprised industry representatives (policy-oriented) and NUST students.

MAIN THEMES:

1. IMPROVEMENT FOCUS

- Macro economics
- Infrastructure
- Health
- Skills
- Business admin /red tape

2. SUSTAINED FOCUS:

- Institutions
- ITC Adaption
- Product market
- Labour market dynamics
- Financial system - Innovation

CONCLUSIONS:

- Create an “industry interest” focus: the agriculture sector is not a unitary system; rather a sector with complex natural diversity, relationships, and role players.
- Create an industry focus that “cut deep” with “best practise” of business intelligence.
- Incorporate value chain players: competitive value chains are key, and they should be identified so that the weakest and vulnerable links are improved.
- Agree on how to define and measure competitive performance: consider competitiveness performance in terms of the nature of a particular industry and its value chain/network relationships, risks and fragilities – commodity groups, trade orientations, markets, rivalry, firm structure, socio-economic setting, transformation agenda and imperatives, consensus vs differences, etc.
- Consider strategic investments and innovation (porter focus) with start-up support - through ppp (smart subsidies) where so required, to achieve competitiveness. Seek complimentary relationships through such investments (South Korea - electronics, and autos)
- Relationship management is important: built long term trustful and transparent relationships – manage relationship risks; avoid opportunistic behaviour; share intelligence and data sets within the industry value chain; seek consensus on impacted urgency.
- Understand the trends: use trend analysis to design consistency and reliability into strategy & “dialogue” efforts i.e. Refrain from opportunistic behaviour & emotional talk. Trends reflect sustained performances, “spill-inn” effects, risk dynamics – the evolving status of the industry/firm.
- Introduce penalties & rewards: create a legal framework to penalise ‘blatant’ uncompetitive behaviour. Reward competitive performance. As per joint agreements.