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Department:
Trade, Industry and Competition
REPUBLIC OF SOUTH AFRICA

THE NATIONAL ASSEMBLY

QUESTION FOR WRITTEN REPLY

QUESTION NO. 1745

Mrs T P Msane (EFF) to ask the Minister of Trade, Industry and Competition:

Whether the Government intends to renew the African Growth and Opportunity Act (AGOA), considering how trade under the AGOA agreement has gone back to figures that were seen before it was signed, meaning that the AGOA agreement has ceased to be beneficial to the Republic and most of its African partners of the agreement; if not, what is the position in this regard; if so, what are the reasons? [NW1993E]

REPLY:

Trade with the United States is regulated by two types of legal instruments: the first is the multilateral framework of the World Trade Organisation, under which the largest part of SA exports to the US is classified; and unilateral preferential market access arrangements, such as the African Growth and Opportunity Act (AGOA) and the Generalised System of Preferences (GSP).

AGOA is a preference granted by the United States to sub-Saharan countries qualifying in terms of criteria established by the US Congress. AGOA is currently set to expire in 2025. Decisions around renewal are taken by the United States and it is then up to exporters from eligible countries to utilise the preferential access to the US market.

South Africa together with other African countries have put forward the proposal for the extension of AGOA beyond 2025.

While the value of trade under AGOA has decreased, it continues to provide benefits to South African exporters, which assists with job creation and has positive spill-over effects in the region. Given the size of South Africa's employment challenge, every trade benefit that is available should be utilised.

In light hereof, South Africa continues to engage the United States on the future of AGOA and the value of extending AGOA beyond the current expiry date.

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