

# STATUS OF TRADE RELATIONS AND ONGOING TRADE NEGOTIATIONS

**Presentation to the Portfolio Committee on  
Trade, Industry and Competition**

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**the dtic**

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## PRESENTATION OUTLINE

- 03-04** ● Global trade, Geopolitics & Trade flows
- 05** ● SA's trade agreements
- 06-12** ● Status of trade relations and trade negotiations
  - AfCFTA
  - SACU & SADC agreements; SADC-EU EPA; SACU+Mozambique-UK EPA; SACU-EFTA FTA; SACU-MERCOSUR PTA
- 13-15** ● Trade Diversification
  - SA-China relations
  - SACU-India PTA negotiations
  - US Trade Relations
- 16-18** ● World Trade Organisation: MC 14
- 20** ● Acronyms

# Current challenges with global trade



## 2025 brought a significant shift in global trade policy:

- America First Trade Policy that saw use of tariffs for various reasons (unfair trade/ trade deficit, drugs, forced labour)
- away from a rules-based multilateral trading system
- towards trade policies increasingly shaped by **national security concerns, economic resilience strategies, and domestic industrial policy priorities.**



## Further weakening of the MTS:

- Trade under WTO rules declined from 80% to 72% since start of 2025.
- Disregard of the core principles of global trade such as the most favoured nation treatment (principle of non-discrimination) and special and differential treatment and to a certain extent consensus decision making that has been the core of the MTS.



This shift has been reflected in the extensive use of unilateral trade measures, increased tariffs, rise in trade barriers, investment screening mechanisms, often justified on geopolitical grounds in view of rising geopolitical tensions- leading to inaccessibility of traditional markets.



Trade strategy must respond to shifts in global trade - SA is implementing a Butterfly Strategy that aims to diversify export markets to promote resilience



These unilateral actions create fertile breeding ground for trade wars, which have a disproportionate impact on developing countries. **Trade wars have a welfare-reducing impact globally.**



Targeted approach to trade negotiations, including vehicle for trade liberalisation: no one-size-fits-all



# Summary of Trade Flows

## SA Global Trade Balance

**+202 billion**



## SA Global Imports (Goods): R1.9 Trillion

EU    China    India    Middle East    USA



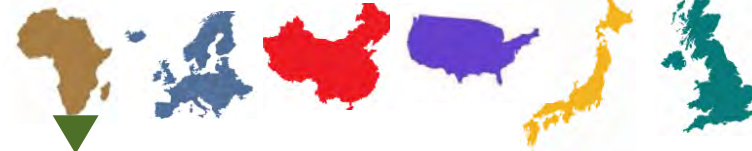
**Africa: R175 bn**  
(9.3% of SA's global imports)

EU @ 23%; China @ 23%; India @ 7%; Middle East @ 12% and USA @ 7%

Africa @ 9.3%

## SA Global Exports (Goods): R2.1 trillion

Africa:    EU    China    USA    Japan    UK



To Rest of Africa: R557 bn (26.7% of SA's global exports) – SACU/ BELN: R208 bn

EU @ 19%; China (@11%); USA: 7%; Japan @ 5% and UK @ 5%

Slight increase of the trade surplus from R197 bn in 2024 to R202 bn in 2025

# SA Trade and Potential Trade with the rest of Africa

## SA exports (2025)

SA to the Rest of Africa:  
R556.7bn

### Of which:

- To SADC incl SACU:  
R469.1bn
  - To SACU: R207.9bn
  - To SADC excl SACU:  
R261,3bn
- To Africa excl SADC:  
R87.5bn

## SA potential exports/ unrealised potential to Rest of Africa

Potential - SA to Rest of Africa: R1.1  
turn over the MTEF (2030)

The products with greatest export  
potential from South Africa to Africa  
are:

- Minerals, metals & products  
thereof,
- Mineral resources,
- Machinery & electronic  
equipment,
- Vehicles, and
- Chemicals

## SA imports (2025)

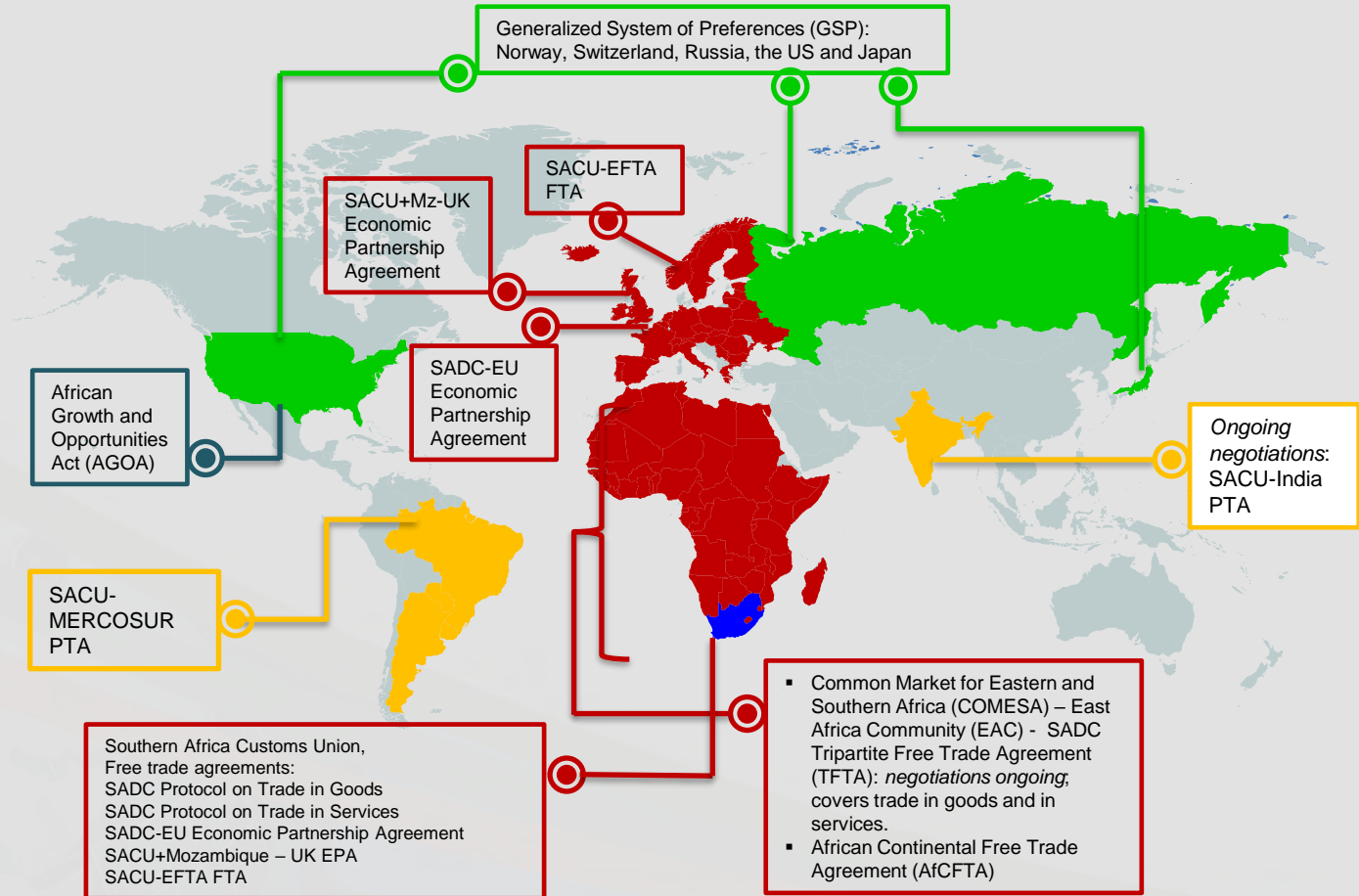
SA from the Rest of Africa:  
R175.1bn

### Of which:

- From SADC incl SACU:  
R117.2bn
  - From SACU: R76,2bn
  - From SADC excl SACU:  
R41.0bn
- From Africa excl SADC:  
R57.9bn

# SA Trade Agreements

Reciprocal, legally-binding trade agreements to which SA is a party, cover 90 countries, with a combined GDP equal to 28% of world GDP; and 29% of world population.



# Ongoing trade negotiations: African Economic Integration and African Continental Free Trade Area (AfCFTA)



# Background to the AfCFTA

## Trade in goods

- 25 countries gazetted PSTCs or begun preferential AfCFTA trade
- SA gains new market access in 14 non-SADC countries viz: Algeria, Cameroon, Egypt, Ghana, Kenya, Morocco, Rwanda, Tunisia, Burundi, Gambia, Nigeria, Ethiopia, Sierra Leone, and Uganda
- SA implemented AfCFTA in January 2024
- 100% of Rules of Origin are finalised, including autos, clothing, and textiles.
- Next step: State parties to submit tariff offers for the remaining 10% of tariff lines (7% sensitive, 3% exclusions).

## Trade under the AfCFTA

- SA cumulative exports, from SA beyond SADC, under the AfCFTA amounted to R 2.6 bn.
- These SA exports were destined for Ghana, Kenya, Egypt, Rwanda, Cameroon, Uganda, Nigeria, Tunisia and Algeria.
- SA's cumulative imports under the AfCFTA, up to February 2026, amounted to R2.1 billion.
- These SA imports originated from 12 countries: Algeria, Burundi, Cameroon, Egypt, Ethiopia, Ghana, Kenya, Morocco, Nigeria, Rwanda, Tunisia, Uganda.

## 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 gazetted their adopted Schedules of Specific Commitments. SA's schedule submitted to the AfCFTA Secretariat and awaits approval.

## Protocols

Protocols on Competition Policy, and on Women and Youth in Trade have been ratified. SA in the process to ratify Protocol on Digital Trade. Protocols on Investment and IP will also be ratified once approved.

# SACU & SADC Update

## SA current Chair of SACU and SADC



### SACU: Priorities

Development of common approach to diversify trade relations with third parties in a manner that preserves the CET.

Transformation of SACU beyond an arrangement held together by a CET and Revenue Sharing Arrangement towards a Reimagined SACU: joint implementation of projects- including by establishing a regional funding mechanism; unified engagement in trade negotiations with third parties; resolution of trade disruptions, including the import bans; development of regional value-chains.



### SADC: Priorities

Address non-implementation of FTA commitments

- Host SADC Industrialisation week that aims to identify regional value-chain opportunities.
- Trade in services.

# Bilateral Cooperation Agreements in Africa



- South Africa has 76 trade and investment cooperation agreements or memorandum of understanding on economic cooperation with various African countries.
- Provide a platform to cooperate on trade and investment initiatives and to resolve non-tariff barriers



These agreements or MoU's are non-binding and focus on cooperation.

- They support economic cooperation, strengthen bilateral ties, and advance regional integration across trade, investment, industry, infrastructure, and the private sector.
- Enhance collaboration in key sectors of mutual interest.
- Build and sustain technical cooperation identified during implementation.



The MoUs also establish forums, such as the Joint Trade and Investment Committees (JTICs) between South Africa and bilateral partners to deliberate on trade, investment, industrial and technical cooperation areas.



The JTICs are also used as a platform to address and strive to resolve issues of concern to each party including market access and non-tariff barriers.

# Review of Agreements with the EU, UK, EFTA

## Priorities:

- Leverage the reviews to improve market access.
- Resolve market access issues for specific export interests: agriculture and green products (e-SAF, hybrids and EVs).

## EU & UK: over 90% utilization of these agreements;

- Leverage the reviews to expand market access for specific products of export interest – mainly agriculture and green products (e-SAF, hybrids and EVs).
- Although SA is exporting more industrial products to the EU, it is still mostly in the automotive sector - need to diversify SA's export basket to include more variety to penetrate the EU market.
- A priority of the SA Government is to move to a more sustainable trade that promotes local value addition, including processing of minerals at close to source, and 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.
  - On citrus – concerns on EU measures related to citrus black spot (CBS) and false codling moth (FCM) - dispute ongoing at the WTO
  - Engagements continuing to safeguard SA export into the EU in view of 50% tariff through Article XXVIII of the GATT.

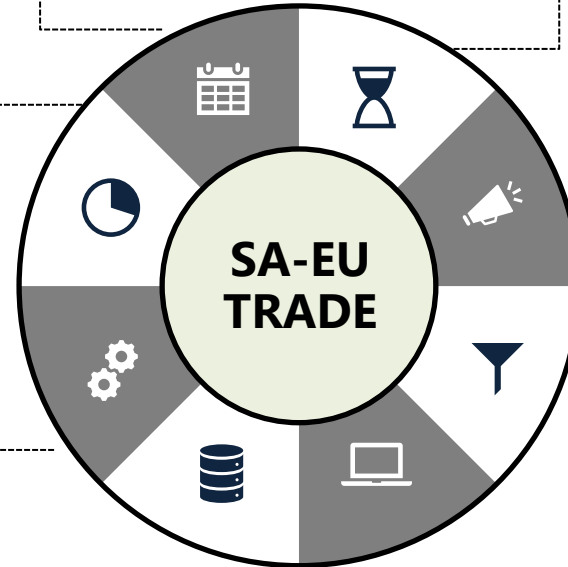
**EFTA:** SACU has duty free access for industrial products, new opportunities for market access are in agriculture; however, it should be noted that EFTA would want access into our industrial sector in exchange for agriculture market access – engagements ongoing to find landing zone

The 8th SA-EU Summit launched the negotiations of the Clean Trade and Investment Partnership (CTIP) on 13 March 2025. As part of CTIP package, the Summit agreed on resolution of cumulation for Electric and Hybrid Vehicles batteries and Sasol sustainable aviation fuels.

CTIP aims to support economic growth, sustainable development, industrialisation, beneficiation of critical minerals at source, partnerships with local industries and a just decarbonisation agenda.

During 2025, the EU has announced a Global Gateway Investment Package of €12 billion.

Invest-SA identified 45 projects to be considered under the Investment Package. The Parties will have further discussions and agree on mutually beneficial projects.

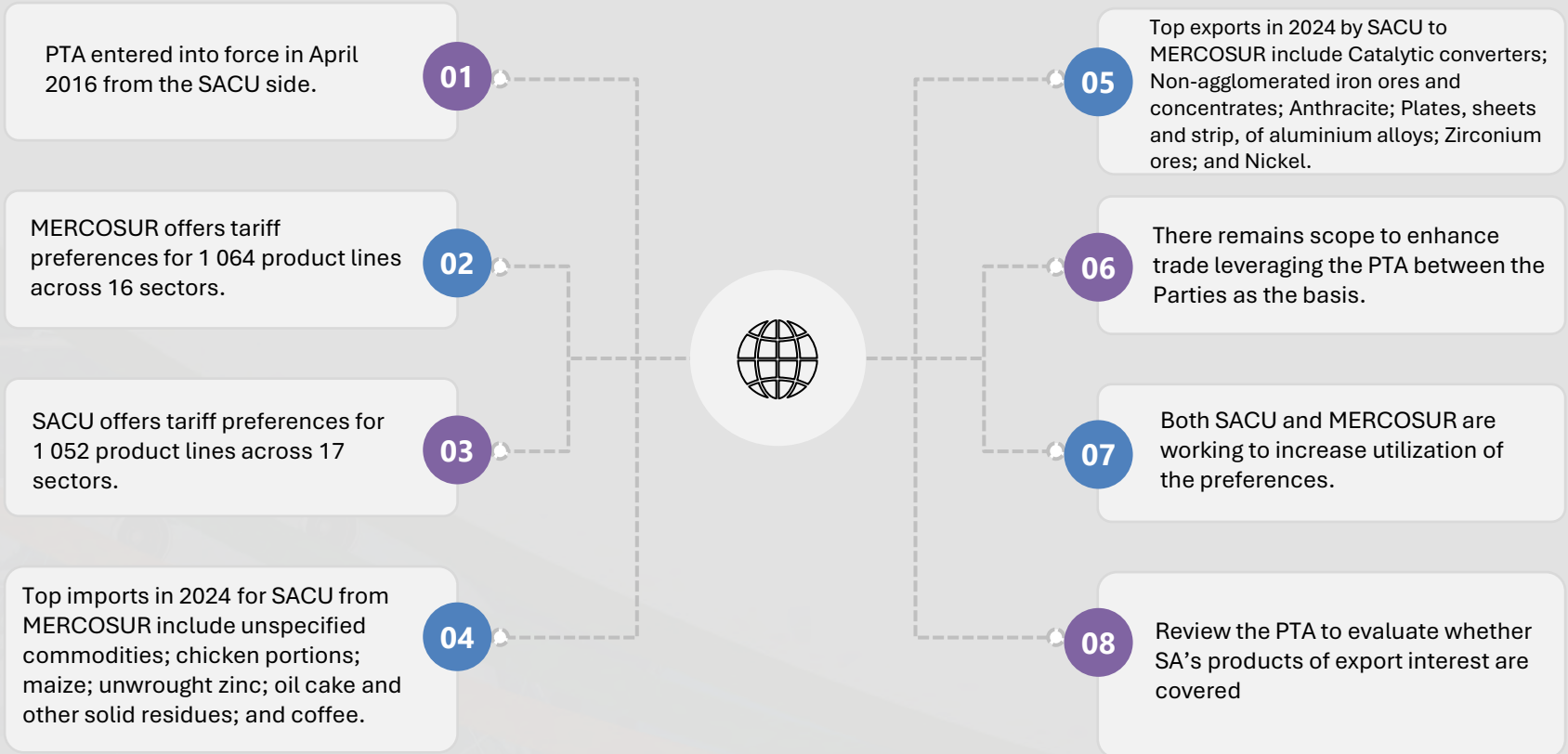


On EVs and plug-in hybrid vehicle batteries, the Parties agreed on a derogation from the Rules of Origin of the EPA, as it pertains to batteries, for 3 years with extension by 2 years upon SA's request. This will allow development of local battery manufacturing capacity.

A commitment was made to find short- and long-term solutions to enable SA exports of sustainable aviation fuel, but a mutually agreed short term solution is not yet agreed.

The listing of South Africa as eligible to export shelf-stable composite products can assist with increasing the exports of agro-processed goods to the EU market.

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



# China-Africa Economic Partnership Agreement for Shared Development (CADEPA)



- In February 2026, South Africa and the People's Republic of China signed the CADEPA - structured framework to deepen bilateral economic cooperation.
- Flexible, modular approach to cooperation; priority areas include: Trade; Inclusive development; Supply chains and investment and Digital trade



- Unilateral preferential scheme effective from 1 May 2026:
  - ✓ This entails zero-tariff on 100% of tariff lines with countries it has diplomatic relations with.
  - ✓ Access to the preference is conditional on meeting the prescribed rules of origin, including product-specific requirements, and on submitting a valid Certificate of Origin, for customs clearance in China
  - ✓ **The dtic** has issued a statement on 30 April 2026 as soon as the information became available and **the dtic** Export Help Desk stands ready to assist traders that require support to access the market
  - ✓ China will host a seminar on 18-23 May 2026 on the implementation of the unilateral access scheme.
  - ✓ For products already in the water, the importer will have to pay a deposit, following submission of the relevant documents, the deposit can be refunded.
  - ✓ Priority is to leverage this unilateral access which is available for a limited period to enable conclusion of the Early Harvest Agreement (EHA).



- In the interim, the Early Harvest Agreement (EHA):
  - ✓ China indicates constraints in sustaining unilateral preferential treatment on a permanent basis due to WTO rules
  - ✓ Necessitates a reciprocal framework between China and African partners
  - ✓ Central mechanism under CADEPA to advance market access
  - ✓ Represents a phased approach to deeper trade integration.



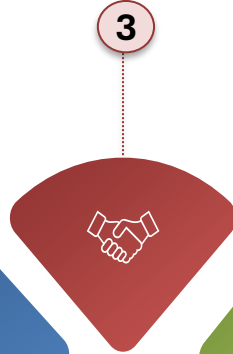
Process: Consultations ongoing on the EHA both with domestic stakeholders and with regional partners

# SACU-INDIA Preferential Trade Agreement (Ongoing)

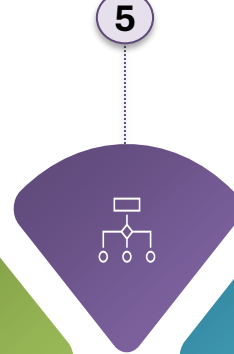
In May 2025, India submitted the Terms of Reference (TOR) to resume the negotiations for a Preferential Trade Agreement (PTA) with SACU.



The parties are to sign the ToRs on the margins of the 4th India-Africa Summit in New Delhi, India, 30-31 May 2026.



This will be followed by the exchange of requests lists and offers



SACU's internal preparation ongoing, including internal SACU Roadmap for negotiations, definition of the parameters and principles for formulation of a draft Tariff Offer, national consultations, and regional engagements to finalise the draft Offer.



Following several rounds of negotiations, the ToRs were finalised and adopted on 8 April 2026, during the SACU and India Senior Trade officials meeting.



Namibia, as the coordinator for the SACU-India PTA will sign on behalf of SACU.



It is anticipated that the 1st round of negotiations will take place in July 2026.





- US implemented the reciprocal tariffs against all trading partners, with SA facing a 30% tariff in order to deal with “trade deficit, unfair trade practices, and lack of reciprocity”.
- Selected products were exempted: semiconductors, lumber articles, certain critical minerals, certain agriculture products, stainless steel scrap and energy and energy products.
- The reciprocal tariffs were implemented using the **International Emergency Economic Powers Act (IEEPA)**, which authorize the US President to regulate international commerce.
- AGOA was also extended for a year until 31 December 2026
- On 20 February the US Supreme Court ruled that the “reciprocal tariffs” were unlawful. The reciprocal tariffs were set aside by the US courts in March 2026
- US implemented a temporary 10% global tariff on most imports to address balance of payment challenges under **Section 122 of the Trade Act of 1974**. These tariffs may remain valid for up to 150 days, unless extended by Congress.
- On the 12 March, US communicated that it will be initiating an investigation under **Section 301 of the US Trade Act of 1974** into laws, policies, and practices of 60 trading partners, relating to the perceived failure to impose and effectively enforce prohibitions on the importation of goods produced with forced labour.
- SA responded to the US communication paving the way for bilateral consultations between SA and the US currently scheduled for May 2026.
- SA made a submission outlining its legal framework to deal with forced labour and prohibitions that currently exist in domestic legislation.



## Modernisation of AGOA

- On 29 February 2026, the US published a Federal Register requesting comments on modernization of AGOA.
- This is part of forthcoming Congressional consideration of AGOA reauthorization, where the USTR is expected to provide recommendations to Congress on reforms and modernizations to AGOA. The comments are due by 15 May 2026.
- The US raised concerns on a number of countries including South Africa on issues such as:
  - few exporters under AGOA (SA, Nigeria and Kenya) and that some countries maintain barriers to US agricultural exports (SA Angola, Ghana, Senegal, South Africa, Tanzania, and Nigeria).
  - Many AGOA beneficiary countries opened their markets to other developed economies, including Economic Partnership Agreements with the European Union, while limiting market access to the United States through tariff and non-tariff barriers.
- Through this process, the USTR is requesting interested stakeholders to provide comments on questions that include, among others:
  - how AGOA can better address non-tariff barriers and other impediments to U.S. exports;
  - how AGOA can assist in increasing demand for U.S. products and creating U.S. jobs;
  - how AGOA can be used to create investment opportunities for U.S. businesses across sectors, including infrastructure;
  - the extent to which current AGOA eligibility criteria are too numerous, and thus undermine effective enforcement;
  - whether new eligibility criteria should be added to AGOA;
  - whether certain AGOA statutory provisions should be added, removed, or modified to increase the likelihood that beneficiary countries graduate after a reasonable period of time;
  - how AGOA should be modified to improve the resilience of the U.S. supply chain for critical minerals;
  - identify methods to strengthen enforcement of and better promote compliance with AGOA's eligibility criteria;
  - whether AGOA should include additional considerations for "graduation" from the program, in addition to a consideration of income thresholds;
  - how AGOA may be structured to ensure beneficiary countries give the United States the same market access as those countries offer other developed economies;
  - how AGOA may be structured to strengthen U.S. national and economic security;
  - how AGOA can be modified to ensure trade preferences accrue predominantly to the United States and beneficiary countries, rather than third-countries; and,
  - whether, and the means by which, the United States could upgrade its relationship with beneficiary countries, including through bilateral trade agreements.
- South Africa through **the dtic** will provide comments on its views towards the AGOA modernisation process. This will require urgent consultations with business and labour.

# WTO - MC 14

Shifting dynamics in world trade has had an impact on the WTO – limited progress to reform the WTO, restore the Dispute Settlement System and deliver development outcomes

1

WTO reform agenda discussed at MC14 centred on three broad themes:

- decision-making;
- Development and Special and Differential Treatment (S&DT); and
- level playing field.

3

Collectively, these proposals aim to recalibrate WTO rules by opening room for discriminatory treatment among WTO Members, introducing differentiation among developing countries, strengthening disciplines on industrial policy and State-Owned Enterprises (SoEs), and embedding these changes in the post MC14 work programme.

5

2

WTO has been unable to respond to the unilateral measures implemented by some WTO Members. The main focus for MC14 was WTO reform, implementation of past mandates, and negotiations on agriculture, fisheries subsidies, dispute settlement, e-commerce, and plurilateral initiatives.

4

The reform proposal from the US and the EU share some common elements and are revisiting consensus decision-making, limiting access to flexibilities only to least developed countries (LDCs) on a time bound basis; expanding plurilateral approaches; and re-examining the Most Favored Nation (MFN) or non-discrimination principle of the WTO. The MFN principle is a cornerstone of the multilateral trading system (MTS).



**MC14 approved** the following decisions:

- The Ministerial Decision on the Work Programme on Small Economies to promote integration of small economies into the global economy;
- The Ministerial Decision on Enhancing the precise, effective, and operational implementation of S&DT in the application of the SPS and TBT Agreements.



**MC14 could not agree** on critical issues that will now be further discussed in Geneva. These include:

- The draft Yaoundé Ministerial Declaration on WTO Reform and Work Plan;
- The draft Ministerial Decision on Electronic Commerce;
- The draft Ministerial Decision on the Moratorium on TRIPS Non-Violation and Situation Complaints;
- The draft Ministerial Decision on Fisheries Subsidies;
- The LDC package.

## MC – 14 Outcomes (cont.)



There were good discussions on WTO Reform, although inconclusive. There was agreement to undertake further discussions in Geneva.



The two moratoria (e-commerce and Non-Violation and Situation Complaints) and the e-commerce work programme will expire at the end of March 2026.



There was no consensus to integrate the Investment Facilitation for Development Agreement into the WTO Framework – with concerns raised on the systemic challenges with the integration of plurilaterals into the WTO, while prepared to consider guardrails.



There was no outcome on agriculture reform which continues to be an issue of interest for Africa in view of its implications on food security.

# THANK YOU



# Acronyms

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
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