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Department:
Trade, Industry and Competition
REPUBLIC OF SOUTH AFRICA

THE NATIONAL ASSEMBLY

QUESTION FOR WRITTEN REPLY

QUESTION NO. 1898

Ms O M C Maotwe (EFF) to ask the Minister of Trade, Industry and Competition:

- (1) What has he found has been the impact of the current diplomatic tension between South Africa and the United States of America (USA) on trade opportunities in the USA lost to the fiscus of the Republic;
- (2) whether there has been any attempt by his department to reach out for new international trading partners to minimise the impact of the tension between the two sovereign states; if not, why not; if so, (a) who are the new trading partners and (b) which countries do they represent and/or come from? NW1756E

REPLY:

- (1) Bilateral trade and investment continue to take place between our two countries. However, there have been three trade actions taken by the United States against all countries globally that also affect South Africa. The United States has imposed the following tariffs on all countries:
 - In February 2025, the US imposed Section 232 tariffs of 25% on steel and aluminium on the basis that imports of these products threaten US national security. In 2018, the US imposed Section 232 tariffs on steel and aluminium, but exempted some countries and also granted product exemptions – South Africa was not granted country exemption, but our country did receive product exemptions for some steel and aluminium products. The Executive Order of February 2025 removes all the country and product exemptions; and makes the tariffs to be applicable to all countries.
 - Section 232 tariff of 25% on automobiles and auto parts that enter (ed) into force on 3 April and 3 May 2025, respectively.

- Reciprocal tariffs against all countries with South Africa facing 30% tariff, but the reciprocal tariffs have been paused for 90 days and tariffs lowered to 10% for all countries except China to enable countries to make offers to the US on how to reduce the trade deficit and eliminate non-tariff barriers to US products.
- (2) There are two process underway: i) Government is finalising a response to these developments in the form of a package for engagement with the United States as announced by His Excellency President Cyril Ramaphosa; and ii) diversification of markets to create resilience. The diversification focusses on countries that South Africa have trade agreements in place such as Southern Africa Customs Union (SACU), Southern Africa Development Community (SADC), Africa Continental Free Trade Area, European Economic Partnership Agreement, the European Free Trade Association as well as a preferential trade agreement with MERCOSUR comprising Brazil, Argentina, Paraguay and Uruguay. Further, South Africa established strategic relationship with a number of countries in Asia and Middle East.

While the United States remains an important trading partner for South Africa, it accounted for 7% of South African trade in 2024. Around 40% of South Africa's trade is with Asian countries, 25% with European countries and 20% with African countries. Government is determined to strengthen partnerships in Africa to address business challenges and create a favourable environment for conducting business. We have established the Coordination Mechanism for Economic Diplomacy, consisting of government departments and the private sector, to facilitate cooperation among relevant public and private sector stakeholders in advancing South Africa's interests in Africa.

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