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Department:  
Trade, Industry and Competition  
REPUBLIC OF SOUTH AFRICA

## **THE NATIONAL ASSEMBLY**

### **QUESTION FOR WRITTEN REPLY**

#### **QUESTION NO. 2089**

**MP Mr R A P Trollip (ActionSA) to ask the Minister of Trade, Industry and Competition:**

Considering the recent election of Mr Donald Trump as the President of the United States of America (USA) and his expressed intentions to end the African Growth and Opportunity Act (AGOA) and to impose a 10% tariff on all products imported into the USA, and in light of the fact that the Republic currently exports approximately R100 billion worth of goods to the USA, what (a) proactive measures is his department implementing to secure and maintain the Republic's critical access to the trade benefits provided under AGOA and (b) strategies or interventions is his department pursuing to mitigate the potential imposition of an additional 10% tariff on South African exports to the USA, which could severely impact the Republic's export economy? NW3373E

#### **REPLY:**

In June 2024, former United States President Donald Trump announced that if he is re-elected in November 2024, he plans to impose 10% across-the-board levies on all products imported into the US from overseas; while China may face 60% or more on its imports into the US.

South Africa currently exports products to the US under the following three trade regimes:

- The reciprocal 'Most-Favoured Nation' terms (MFN) of the World Trade Organisation (WTO), accounting for 75% of total SA exports to the US;
- Unilateral (or 'non-reciprocal') preferential market access under the African Growth and Opportunities Act (AGOA), accounting for 21% of total SA exports to the US; and

- Unilateral preferential market access under the Generalised System of Preferences (GSP) programme, accounting for 4% of total SA exports to the US.

(a) South Africa as part of the AGOA beneficiary efforts have been advocating for renewal of AGOA beyond September 2025 for a minimum of 16 years, with all countries retained in the programme. There has been bipartisan and bicameral support for renewal of AGOA. There have been questions on continued inclusion of South Africa in AGOA; in this regard, Africa Ministers of Trade have been clear and urged the US not to use non-trade conditions in the renewal of AGOA. In addition, South Africa remains critical to the regional value-chains that have developed in sub-Saharan Africa on the back of AGOA. There is also recognition in the US that AGOA must support the implementation of the African Continental FTA and the role of South Africa in this is well acknowledged. Given the recent election in the United States, South Africa will engage with the new Congress once sworn-in in January 2025 to continue advocating for early and long-term renewal of AGOA.

This advocacy efforts will be strengthened by the announcement of the new Ambassador of South Africa to the United States, Ambassador Ebrahim Rasool.

(b) Regarding the proposed 10% baseline tariff across the board, it is important to note that this is not yet law or officially proposed. South Africa will continue to engage the US to mitigate the effects of the application of the tariff should it be implemented in view of the supply-chains in key sectors that exist between the two countries. South Africa will also continue to advocate for the resuscitation of the Trade and Investment Framework Agreement (TIFA) that will provide an opportunity to engage at a high level on both sides and discuss all issues of interest or concern to strengthen bilateral relationship with the United States.

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