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Department:  
Trade, Industry and Competition  
REPUBLIC OF SOUTH AFRICA

## **THE NATIONAL ASSEMBLY**

### **QUESTION FOR WRITTEN REPLY**

#### **QUESTION NO. 2127**

**Mr S Thambo (EFF) to ask the Minister of Trade, Industry and Competition:**

(a) What (i) has been the economic impact of the said United States reciprocal tariffs on the Republic and (ii) attempts have been made to develop trade relations with alternative markets to offset the impact and (b)(i) which markets have been identified and (ii) in relation to which products and/or services? NW2458E

#### **REPLY:**

- (a) (i) It is important to note that the reciprocal tariffs have been imposed on all countries. Initially, the US imposed different tariffs for countries with South Africa facing a 30% tariff, but this has since been paused for 90 days and lowered to 10% for all countries. It is important to note that products such as copper, pharmaceuticals, semiconductors, lumber articles, certain critical minerals, stainless steel scrap and energy and energy products have been exempted from the reciprocal tariffs.

In 2024, South Africa's merchandise exports to the US were dominated by platinum group metals (PGMs), which accounted for 31.8% of the export basket and motor vehicles, parts and accessories (21.8%), with these two export categories accounting for 53.6% of the export basket to the US. Other key exports include non-ferrous metal products, basic iron and steel, other manufacturing (such as jewellery, metal waste and scrap), mining of chrome and manganese, diamonds, as well as chemical products. The aforementioned export categories had a cumulative share of just over 80% of South Africa's entire export basket to the US in 2024.

Of these exports, automobiles and auto parts are facing 25% Section 232 tariffs, implemented by the US on the basis of national security considerations. All other products face 10% reciprocal tariffs, with exception of products exempted from the

reciprocal tariffs such as critical minerals, pharmaceuticals, and metal waste and scrap.

(a) (ii) There are two process that are underway:

aa) 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

bb) diversification of markets to create resilience. The diversification focus 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.

(b) (i)&(ii)

To safeguard and expand South Africa's global trade footprint in light of trade disruptions, 22 priority markets have been identified, across region. The priority countries include countries in Africa and a mix of high-demand economies and longstanding trade partners.

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