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Department:
Trade, Industry and Competition
REPUBLIC OF SOUTH AFRICA

THE NATIONAL ASSEMBLY

QUESTION FOR WRITTEN REPLY

QUESTION NO. 219

219. Mr C G Niehaus (EFF) to ask the Minister of Trade, Industry and Competition:

Whether, in light of the recent one-year extension of the African Growth and Opportunity Act (AGOA) until 31 December 2026, and given South Africa's continued inclusion in AGOA despite ongoing US-imposed 30% tariffs on the country's exports, diplomatic tensions, and accusations of interference in our sovereign foreign policy (details furnished), he has found that remaining in AGOA serves the interests of our nation's economic sovereignty, development and strategic alliances with BRICS partners and the broader Global South, particularly when AGOA has allegedly functioned as a tool of US imperialism to manipulate African nations (details furnished); if not, what is the position in this regard; if so, what steps has he taken to proactively initiate a process for the Republic to exit AGOA and focus on prioritising interventions such as the radical economic transformation through nationalisation of key industries, a accelerated beneficiation and enrichment of our own minerals, and the expansion of industrial, trade, and economic partnerships? NW232E

Reply:

The African Growth and Opportunity Act (AGOA) is a unilateral trade preference scheme of the United States, which supports exports of South African products to the United States. This includes products such as fresh produce, automotive, boat building, macadamia nuts, jewellery, and wines. The AGOA programme supports the exporters by eliminating the most favoured nation tariff that would otherwise have applied to SA products. The Government of South Africa, together with other sub-Saharan Africa eligible countries, have advocated for renewal of AGOA and continues to see the programme as supporting industrialisation and regional integration in the continent. Therefore, Government has not contemplated exiting from AGOA.

South Africa continues to strengthen bilateral relations with BRICS countries to diversify its export markets and also to create resilience. To this end, South Africa signed a Framework Agreement on Economic Partnership for Shared Prosperity with China that paves the way for negotiations of an Early Harvest Agreement that will unlock 100% duty-free market access that China has granted



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African countries with which it has diplomatic relations. South Africa welcomes the announcement by President Xi Jinping on Saturday 14 February 2026 to grant Pre-Early Harvest duty-free market access from May 1, 2026 for two years, while African countries conclude the Early Harvest Agreements.

In addition, South Africa as part of Southern Africa Customs Union (SACU) is implementing a Preferential Trade Agreement with MERCOSUR (that includes Brazil, Argentina, Uruguay and Paraguay). Currently SACU is engaging with India towards a Preferential Trade Agreement.

The beneficiation of critical minerals is key to South Africa's medium-term development plan (MTDP) and Growth Acceleration and Inclusion (GAIN) strategy. The Critical Minerals and Metals Strategy, announced in 2025 by the Department of Mineral and Petroleum Resources (DMPR), defines "critical" minerals based on the processing of minerals, industrial development and creation of jobs, exports based on the global demand. South Africa has some of the world's largest reserves of minerals essential for the global energy transition, green technologies, and advanced manufacturing. The beneficiation and localisation approach aims at changing the focus from exporting raw minerals to producing higher-value products locally, thus creating jobs, expanding industries, and boosting economic growth.

The Department of Trade, Industry, and Competition (**the dtic**) has been given the responsibility of implementing the localisation component of the Critical Minerals and Metals Strategy. As a result, efforts are being made to attract investments in the sector, beneficiate at source, increase local procurement opportunities, and expand supply chains in South Africa, with a focus on autos, energy, and battery manufacturing. In recognition of the continued socioeconomic challenges faced by the country, these interventions to grow sectors such as Critical Minerals and Metals are complemented by policies such as Broad Based Black Economic Empowerment that aims to change systems and patterns of ownership and control. This will contribute towards inclusive economic growth and reduce inequalities in the country. The focus is on providing support to improve and sustain productivity of Black owned enterprises, MSMEs, and new firms within such sectors, which shall be coordinated through the Transformation Fund.

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