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Department:
Trade, Industry and Competition
REPUBLIC OF SOUTH AFRICA

THE NATIONAL ASSEMBLY

QUESTION FOR WRITTEN REPLY

QUESTION NO. 3338

Ms N M Mhlongo (EFF) to ask the Minister of Trade, Industry and Competition:

Whether, in light of his involvement in the working visit to the United States of America (USA) undertaken from 19 May 2025 by the President of the Republic, Mr C M Ramaphosa, he, in his official capacity signed or sealed any trade agreements with his USA counterpart during the course of the visit; if not, what is the position in this regard; if so, (a) what are the full details of the specified agreements, including the (i) sectors involved and (ii) projected benefits to the Republic, (b) what motivated the signing of the agreements and (c) how do the agreements align with the country's development priorities and economic sovereignty?

[NW3798E]

REPLY:

South Africa and the United States did not sign any trade agreement during the recent working visit to the US. The purpose of the visit was amongst others to reset the bilateral relations and to set-up a framework of engagement between the two countries.

The two countries recognised the Trade and Investment Framework Agreement (TIFA) as a platform for engagement to discuss issues of mutual interest. Further, South Africa used the opportunity to submit a Framework Deal to enhance mutually beneficial trade and investment relations, as well as to mitigate against the reciprocal tariffs that the United States imposed against all countries, including South Africa.

The US imposed reciprocal tariffs ranging between 10% to 50% against all countries citing concerns with trade deficit, lack of reciprocity and unfair trade barriers. However,

the United States paused the reciprocal tariffs for 90 days, ending on 9 July 2025 and lowered the tariffs to 10%. During this period, the US expected all countries to present “offers” on how to deal with its concerns as indicated above.

It is important to underline that the Framework Deal that SA submitted to the US constitute a proposal that will be subjected to negotiations between the two countries. The Framework Agreement covered the following elements, among others:

- Procurement of US products such as LNG, complemented with US investment in gas infrastructure in SA and cooperation in key technologies to unlock production of gas in SA.
- Addressing agricultural market access for both countries.
- Promoting two-way investment and improving the investment climate.
- Areas of future cooperation including on tariff, digital trade, critical minerals.

In return, South Africa requested that US consider the following:

- Exemption of certain volume of cars and parts, and steel and aluminium from Section 232 tariffs.
- While negotiations are underway, the US to maintain the reciprocal tariff at 10% or lower rate for other exports and maintain the AGOA preferential rate on MFN duties.
- Furthermore, for the US to exempt counter-seasonal fresh produce and exports from SMEs of less than US\$ 1 million per annum from the reciprocal tariff.
- For the US to grant market access for citrus, avocados, litchis and mangoes.

(a) – (b) not applicable as no trade agreement was signed.

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