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Department:  
Trade, Industry and Competition  
REPUBLIC OF SOUTH AFRICA

## **THE NATIONAL ASSEMBLY**

### **QUESTION FOR WRITTEN REPLY**

#### **QUESTION NO. 380**

**Mr A D Beesley (ActionSA) to ask the Minister of Trade, Industry and Competition:**

- (1) Given the increasing threat posed by the executive decisions taken by the United States government recently, and the potential risk to the Republic's continued access to the African Growth and Opportunity Act (AGOA), what (a) concrete steps has his department taken to safeguard this crucial trade agreement, (b) diplomatic, (c) economic and (d) legal strategies are being pursued to ensure that SA goods maintain preferential access to US markets;
- (2) what contingency plans are in place to mitigate the uncertainties about the future of the AGOA?

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#### **REPLY:**

- (1) The US is the destination for approximately 9% of SA's global exports. South Africa exports to the United States under three regimes being: most favoured nation scheme of the World Trade Organisation, Generalised System of Preferences (GSP) and also AGOA. GSP preferences have been integrated into AGOA. Currently, 74% of SA exports to the US entered there under MFN rates; while the balance of 26% went under AGOA (including GSP).

South Africa has been actively lobbying for the extension of AGOA both individually and as part of the Africa Group. South Africa remains part of African continental efforts to advocate for renewal of AGOA beyond 2025. The SA

Embassy in Washington SA is currently engaging with various stakeholders. South Africa will continue to lobby for its inclusion in AGOA given its strategic importance. As part of resilience building for the SA economy, South Africa has been diversifying its market by opening market access opportunities in various market across the globe. The African Continental Free Trade Agreement is one of the critical markets being actively pursued to diversify markets for SA products.

- (2) SA is working to resuscitate the Trade and Investment Framework Agreement with the US to provide a platform for the two countries to discuss issues of mutual interest and concern, and to develop a positive agenda that is mutually beneficial for both sides. Such an agenda will create predictability in trade and investment. Furthermore, SA has a number of trade agreements that provide market access opportunities for SA products that can offer alternative markets, however this will not be without costs given the existing supply-chains with the US

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