

AGOA and US-South Africa Agricultural Bilateral Trade

ALI ABDI

MINISTER COUNSELOR FOR AGRICULTURAL AFFAIRS

UNITED STATES EMBASSY

What is AGOA?

- The African Growth and Opportunity Act (AGOA) is a United States Trade Preference Act, signed into law in 2000 and reauthorized for an additional 10 years in 2015. It is currently set to expire in 2025.
- By building on the U.S. Generalized System of Preferences (GSP), AGOA provides duty-free access to the U.S. market for over 6,800 products, including over 1,300 agricultural products.
- South Africa is the top beneficiary of AGOA for agriculture

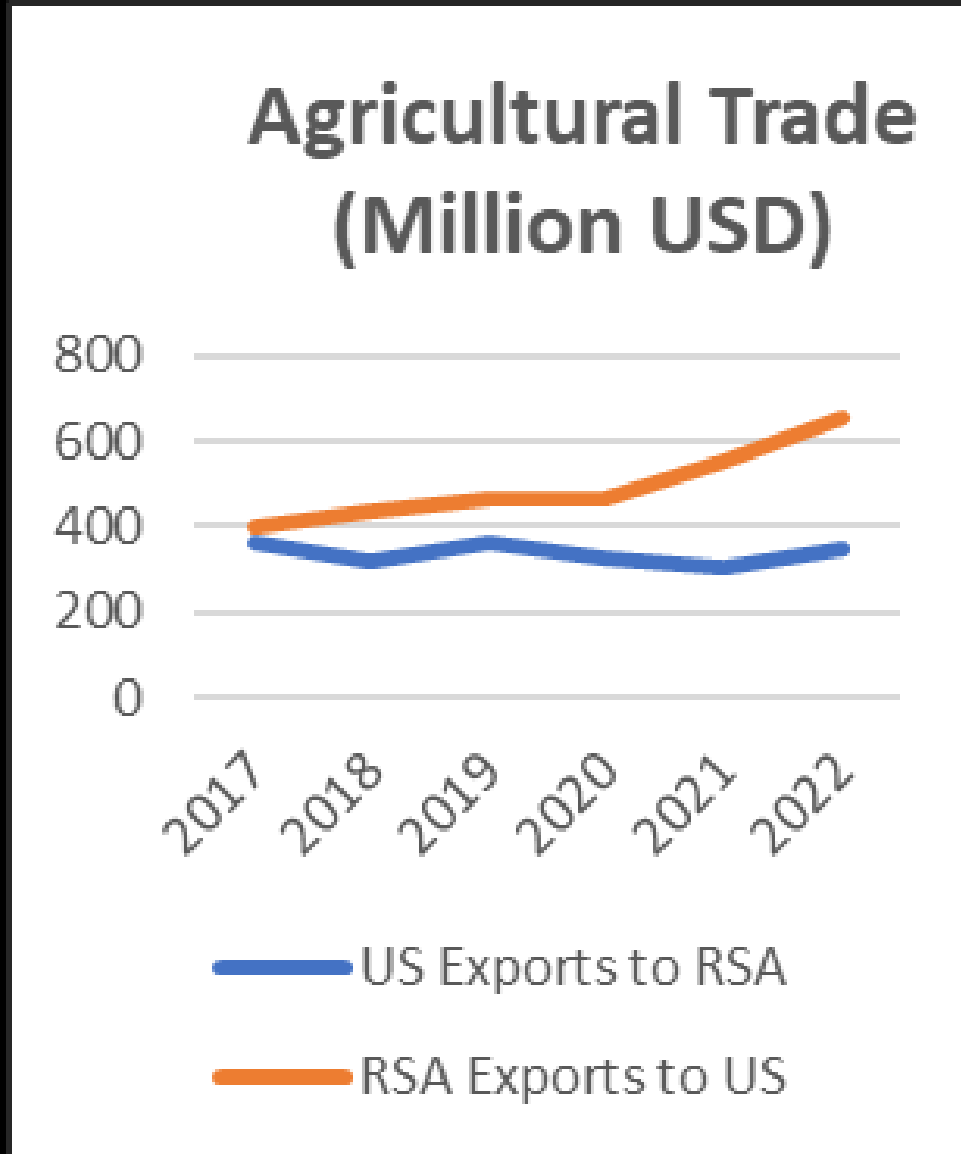
AGRICULTURAL SECTOR

- IMPORTANT COMPONENT OF OUR ECONOMIES
- ADVANCED
- CREATES JOBS AND FOOD SECURITY
- SIGNIFICANT CONTRIBUTOR TO ECONOMY

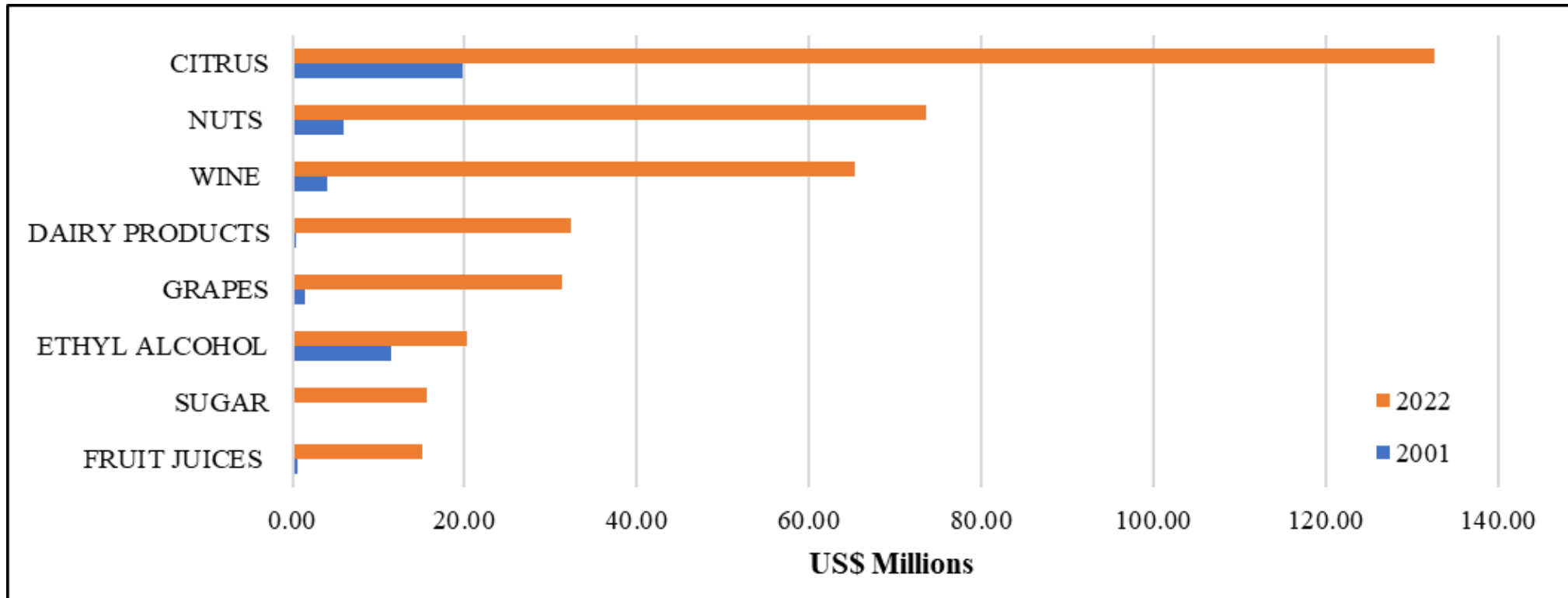
BILATERAL TRADE (2022)

- TWO-WAY TRADE TOPPED ONE BILLION (\$US)
- SOUTH AFRICA: RECORD \$717 MILLION
- MAJOR PRODUCTS INCLUDE: FRUIT, TREE NUTS, WINE, SUGAR, OTHER CONSUMER PRODUCTS
- US IS 6TH LARGEST EXPORT MARKET FOR SA AGRICULTURE
- 2/3 OF SA AG EXPORTS TO U.S. ENTER DUTY FREE
- UNITED STATES: \$368 MILLION
- MAJOR PRODUCTS INCLUDE: POULTRY, TREE NUTS, DAIRY, OTHER CONSUMER GOODS.
- THERE IS PLENTY OF ROOM FOR GROWTH

Bilateral Trade in Agriculture Trend Line



- US agricultural exports to RSA have fallen by 4%, while RSA agricultural exports to the US have grown by 65%.



Source: U.S. International Trade Commission and U.S. Department of Commerce.

Growth in South African Exports to U.S. (2001 to 2022)

Working Together

- AGOA provides one-sided duty benefits. The United States does not enjoy any tariff preferences for agricultural products entering South Africa.
- All products are held to the same standard: For example, sanitary and phytosanitary requirements.

Challenges and Opportunities

- TRADE FACILITATION
- RESOLVE LINGERING TRADE IRRITANTS, HONOR PREVIOUS COMMITMENTS
- EXAMPLE: ANIMAL PRODUCTS SUCH AS POULTRY, PORK AND DAIRY
- EXPORT PROCEDURES/PROCESSES
- EFFECTIVE BILATERAL MECHANISM WHERE OUTSTANDING ISSUES CAN BE DISCUSSED AND ADDRESSED.
- WE HOPE THAT PROGRESS ON OUTSTANDING ISSUES WILL BE MADE NEXT WEEK