

NATIONAL POSITION ON AGOA POST 2025

**Presentation by
Xolelwa Mlumbi-Peter
DDG: Trade
28 October 2023**



the dtic

Department:
Trade, Industry and Competition
REPUBLIC OF SOUTH AFRICA

the dtic - together, growing the economy

the dtic Customer Contact Centre: 0861 843 384

the dtic Website: www.thedtic.gov.za



Contents



- 1. SA-US relations**
- 2. SA-US trade framework**
- 3. Top 10 exports under AGOA**
- 4. Benefits under AGOA**
- 5. 20th AGOA Forum**
- 6. Africa's common position**
- 7. SA's Key messages**

The SA-US relationship

- SA and the US have a long history of economic relations – some US companies have been in SA for over 100 years
- SA values the economic relationship and it continues to be an important one, capable of being scaled-up further
- The US is a significant market for SA goods and a key source of investment. The US is SA's second largest *national* trading partner, after China. SA is the largest exporter to the US on the African continent, exporting three times more than the next largest supplier (Nigeria) in 2022.
- SA in turn is
 - the largest sub-Saharan African importer of goods from the US; and
 - the biggest source of foreign direct investment to the US from the African continent
 - a crucial supplier to many US supply-chains, including in relation to raw materials

The SA-US trade framework

- South Africa exports products to the US under three trade regimes:
 - the reciprocal 'Most-Favoured Nation' terms (MFN) of the World Trade Organisation (WTO)
 - unilateral (or 'non-reciprocal') preferential market access under the African Growth and Opportunities Act (AGOA), and
 - unilateral preferential market access under the Generalised System of Preferences (GSP) programme.
- AGOA was
 - Introduced in May 2000 for a time-bound period to 2008
 - Extended in 2004 to expire on 30 September 2015
 - Extended in 2015 to expire in 2025

TOP 10 Exports under AGOA

Product	AGOA export value
Automotives, cars	USD 1 482 221 468
Ferro-alloys	USD 368 328 274
Citrus	USD 132 637 459
Jewellery (and processed precious metals)	USD 110 072 288
Nuts	USD 73 604 700
Other chemicals	USD 73 445 387
Wine	USD 65 261 205
Engines & turbines	USD 57 727 516
Ketones/quinones	USD 57 362 372
Ships & boats	USD 54 813 829

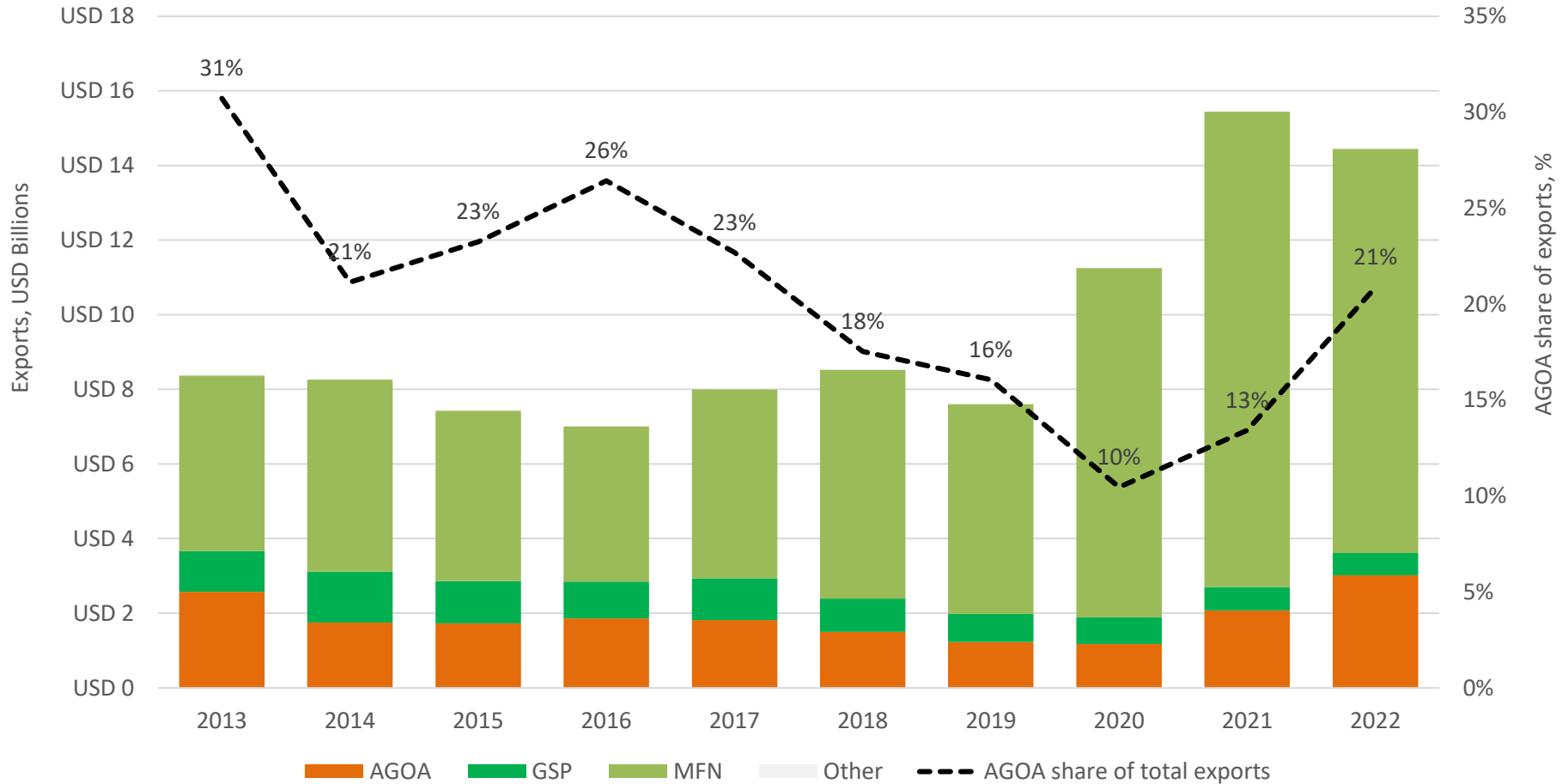
- Three agricultural product feature into top 10 South Africa's exports to the US under AGOA.
- Key agriculture exports include citrus; nuts, and wine, with value estimated at US\$270 million.

Benefits of AGOA

Value of goods exports to the US qualifying for AGOA and GSP preferences, by sector, 2022, US dollars

Exports to US, 2022	Trade under the MFN	Trade under Preferences	Preferences share	Total
Agriculture	103 215 000	288 961 000	74%	392 176 000
Manufacturing	1 966 124 000	3 336 249 000	63%	5 302 373 000
Mining	8 338 864 000	446 776 000	5%	8 785 640 000
Other	390 403 000	1 053 000	0,3%	391 456 000
Total	10 798 606 000	4 073 039 000	27%	USD 14 871 645 000
Share of total	73%	27%		

Benefits of AGOA



20th AGOA Forum in South Africa

- An annual AGOA Forum is held, alternating between the US and the African continent. The last physical meeting held on the African continent was in 2019, in Cote D'Ivoire
- 20th AGOA Forum will take place from 2 – 4 November 2023 at Joburg Expo Centre
- Attendees Include African Ministers of Trade, members of Congress, US Administration, regional economic communities, civil society, private sector and organised labour

20th AGOA Forum in South Africa

- The Forum will comprise of the following Engagements:
 - African Ministers of Trade meeting
 - Private Sector Forum
 - Organised Labour and Civil Society Forum
 - AGOA Ministerial
 - Trade Ministers' meeting with US Trade Representative
 - 3 Plenary sessions
 - 9 breakouts
 - 2 VIP Lunches
 - Gala Dinner
 - Made in Africa Exhibition

Africa's Common Position on AGOA

- African countries advocate for:
 - extension of AGOA for a 10-year period from 2025 to 2035, with existing beneficiaries retained
 - an early extension of AGOA to ensure predictability in trade
 - the removal of US trade restrictions on African products that limit the use of AGOA, as well as product coverage expansion and reduction of red-tape
 - AGOA must support the objectives of the AfCFTA and Agenda 2063 in terms of industrialization, boosting intra-Africa trade

SA National Position on AGOA

- Aligned to the Africa Position in terms of the extension
- South Africa an anchor of regional value chains in the automotive sector, clothing and textile sector, etc. Therefore, South Africa must be retained in AGOA beyond 2025
- AGOA being a catalyst for economic development and investment into Africa.
- USA benefits from AGOA through access to cheap goods and also access to critical minerals but it should be from an investment-led approach that promotes beneficiation and value-addition in Africa.
- AGOA creates job and trade and investment opportunities for both sides – therefore is of mutual benefit and it should be retained, strengthen and upscaled.
- There is global reconfiguration of global supply-chains, providing new opportunities to identify areas of cooperation for mutual benefit.



Thank You



the dtic

Department:
Trade, Industry and Competition
REPUBLIC OF SOUTH AFRICA

the dtic - together, growing the economy

the dtic Customer Contact Centre: 0861 843 384

the dtic Website: www.thedtic.gov.za

