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SA awaits US trade-pact vote with impact seen modest

'Agoa has been important in this partnership for over two decades, supporting thousands of jobs in both countries and contributing to stable supply chains across key sectors,' Parks Tau said earlier this month.

By S'thembile Cele and Mike Cohen, Bloomberg · 30 Jan 2026 ⌚ 06:21



Image: Dwayne Senior/Bloomberg

South Africa risks losing preferential access to the US market under a key African trade pact that's before Congress, though the economic impact would likely be limited even if the country is excluded.

The Senate may vote as early as this week on renewing the African Growth and Opportunity Act, a program that has been key to boosting relations between sub-Saharan Africa and the US since its inception in 2000. The legislation, which expired on September 30, has enabled more than 1 800 products from 32 nations to enter the US duty-free and can only be renewed by an act of Congress, most recently in 2015.

Read: [Agoa vote could take place within days](#)

US Trade Representative Jamie Greer last year said he's "happy to consider" removing South Africa from the list of nations that benefit from Agoa, describing the country as a "unique problem." That came after President Donald Trump repeatedly criticised South Africa's foreign policy and empowerment laws and made false claims about racial violence.

Any removal from Agoa would likely be blunted by the fact that precious metals account for about half of South Africa's shipments to America and are exempt from duties, as are some citrus exports, according to Donald MacKay, the managing director of Pretoria-absed XA Global Trade Advisors. Several of its other key exports fall outside the scope of the pact, he said.

Read: [Could South Africa be excluded from a potential Agoa extension?](#)

"The value of the duties saved under Agoa was about R2 billion (\$127 million) a year" and while individual exporters of wine and other products may be adversely affected by the loss of accession, it won't have a material impact effect on the country as a whole, he said in a phone interview. "This is definitely not to say that Trump's policies have not done harm."

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Even if the Senate does follow the House of Representatives in approving a three-year extension of the pact and Trump signs off on it, a White House official has said that qualifying countries will still be subject to so-called reciprocal tariffs that the president announced last year.

The US Supreme Court has yet to rule on the validity of those charges. A range of products from South Africa were hit with 30% duties, the highest in the region.

Read: [Why Agoa's renewal won't move the needle for SA trade](#)

"The risk is significant that secondary legislation powers can be used to carve South Africa out" of any extension to Agoa, said Peter Attard Montalto, managing director at advisory firm Krutham. "All this is very much by-the-by, however, given the level" of tariffs announced by Trump "far exceeds the protections provided by Agoa. The benefits of the extension to South would be exceptionally marginal."

South Africa's government has advocated a continuation of its preferential market access to the US and emphasized the importance of economic ties. America is South Africa's biggest trading partner after China, with two-way flows totaling \$21.6 billion in 2024.

Read: [South Africa lauds US trade-pact benefits as senate vote looms](#)

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