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SA faces Agoa exit as US trade tensions escalate

As of 1 January 2027, South Africa will lose its preferential trade benefits under the African Growth and Opportunity Act (Agoa), following an announcement by the US government.

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Source: Wikipedia. Port of Cape Town.

The US trade representative, Jamieson Greer, said that President Donald Trump had decided to remove South Africa "for engaging in practices that are inconsistent with Agoa's eligibility criteria. In South Africa, the Trump administration is deeply concerned by barriers to US trade and investment, corruption, and threats to US national security and foreign policy interests."

The decision comes amid deteriorating relations between Washington and Pretoria. The Trump administration has criticised South Africa's empowerment and land policies, its foreign-policy positions, including its case against Israel at the International Court of Justice.

Agoa's trade value declines

Enacted in 2000, Agoa gives eligible sub-Saharan African countries duty-free access to the US for thousands of products. South Africa has been its largest beneficiary, exporting about $1.7bn worth of goods under the programme in 2025. Key exports include vehicles and components, citrus, wine, nuts and agricultural products.

Losing the preference would not ban South African exports to the US. Affected goods would instead face tariffs applicable outside Agoa, making them more expensive and potentially less competitive against suppliers retaining preferential access.

Agoa exports were valued at approximately $1.7bn in 2025, down from $4bn in 2024. Agoa exports represented about 1% of South Africa's total global exports. SA Minister of Trade, Industry and Competition, Parks Tau said.

Bilateral trade reached $28.8bn in 2025, while more than 600 American companies operate in South Africa, supporting approximately 134,600 jobs, he said.

Tau added that South Africa has a 60-day window to address US concerns before termination takes effect. Talks will determine whether the decision can be reversed.

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