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Economy

South African businesses see ‘minimal’ impact of Agoa exclusion

It will, however, likely result in some job losses in the agriculture and automotive industries.

By Alexander Parker, Bloomberg · 3 Nov 2026, 14:10



Higher trade levies imposed by President Donald Trump since he returned to power last year have in any case diminished Agoa’s value to South Africa. Image: Dwayne Senior/Bloomberg

The Trump administration’s decision to exclude South Africa from the African Growth and Opportunity Act will have a “minimal impact” on the economy as a whole, according to business leaders and economists.

It will, however, likely result in some job losses in the agriculture and automotive industries.

“While only about 10% of South Africa’s exports to the US are currently subject to Agoa, South Africa’s exit still puts thousands of jobs at risk in these sectors,” Raymond Parsons, an economics professor at North West University’s Business School, said on Tuesday, a day after the decision was announced.

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Pretoria played down the likely impact of the exit, noting that the scale of trade directly affected by Agoa was small. South Africa’s financial markets took the news in their stride.

“The disappointment was to a large extent anticipated,” said Alvin Chawasema, head of fixed income at Otto1890 in Johannesburg, who pointed to larger concerns for investors, including the ongoing Iran war. “It could well be that markets are rationally assigning some residual probability to further negotiation.”

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