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Soapbox

Agoa exit: A setback, not a supply chain crisis

Agoa exposure is concentrated in automotive and agricultural exports, but the US remains a relatively small share of overall export volumes.

By Ernest van Biljon · 8 Nov 2026, 04:00



Agoa was a trade advantage rather than the foundation of SA's exports, but mounting tariff and geopolitical disruptions mean exporters must strengthen their resilience and diversify markets, routes and trading partners. Image: Bloomberg

The US has notified Congress of its intention to remove South Africa and Rwanda from the African Growth and Opportunity Act (Agoa) from 1 January 2027. Our exposure is smaller than the headlines suggest, but that does not mean there is no cost.

Removal does not close the US market; goods simply face standard tariffs. Estimates put the US at roughly 8-13% of South Africa's exports, depending on how gold and similar goods are classified, and only about 22% of those exports benefit from Agoa.

Brookings estimated that losing Agoa alone would cut exports to the US by about 2.7% and GDP by about 0.06%. Bilateral trade with the US was $24.1 billion last year, against $55.6 billion with China.

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SA's Agoa exit is not the end of US market access
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The pain will be concentrated. Automotive products made up 64% of Agoa exports in 2024, yet the US took only 10.7% of automotive export volume; Europe takes more than half. In agriculture, the US accounts for about 4% of exports, but around 70% of those enter under Agoa, mainly citrus, grapes, nuts, wine and juices.

> **A national percentage of a fraction can hide a very local problem. Any reduction in exports, particularly of agricultural products, will be felt hardest by the communities that depend on them.**

Because phytosanitary rules restrict which areas can supply the US market, American-bound exports are concentrated in particular production regions. Growers, packhouses, transporters and seasonal workers in those areas carry a far larger share of the loss than the national figures suggest.

Europe the 'obvious first call'

Business has not been standing still. Many exporters have spent the past year or two diversifying in anticipation of an Agoa exit and have already opened markets in other regions.

Europe is the obvious first call: total trade with the EU has grown 44% over five years. China-Africa trade rose 17.7% to $348 billion in 2025, and China extended zero-tariff treatment to 53 African countries from May 2026.

Exports to the Middle East have also increased, even though that trade has itself been disrupted by the closure of the Strait of Hormuz. Closer to home, the African Continental Free Trade Area offers scale, provided corridors and borders work.

Government is also exploring agreements with India, Canada, Asia and the Middle East.

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Supply chain managers should map their Agoa exposure product by product, price the tariff before 1 January, diversify markets and routes, and build resilience through alternative logistics partners and buffer stock.

Freight forwarders and customs brokers should be briefed early on any classification and documentation changes. A scenario for a negotiated outcome is also worth keeping.

Agoa was a useful advantage, not the foundation of South Africa's trade. The larger lesson is that Agoa is one of several disruptions arriving together: tariff shifts, shipping route closures and geopolitical shocks now compound one another, and they increasingly look like the normal operating environment rather than exceptions.

Exporters need to look hard at their resilience and flexibility, in their markets, routes, partners and inventory. Firms that know their exposure and have somewhere else to sell will manage best.

Dr Ernest van Biljon, Dean of Research, IMM Graduate School.

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