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Beyond AGOA: Building a more resilient South African export strategy

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The prospect of South Africa losing its benefits under the African Growth and Opportunity Act (AGOA) understandably raises concerns. Preferential access matters, particularly where exporters operate on tight margins. But the response should not be driven by headlines alone. For businesses, the better approach is to understand the exposure, preserve viable customer relationships and accelerate expansion into other markets.

This is not about minimising the challenges. It is about recognising that a policy setback can also prompt a stronger, more

diversified export strategy.

Start with the product, not the headline

The consequences of losing AGOA preferences will differ between products. Exporters should assess the product-specific most-favoured-nation (MFN) duty that will become payable on the date on which South Africa's removal from AGOA takes effect. The assessment should extend to additional United States of America (US) duties, freight and other costs as well as the resulting landed price.

In July 2026, the US enacted section 301 duties on countries it deemed to have committed forced labour violations. These duties succeeded the section 122 emergency duties which replaced the "liberation day" tariffs imposed in April 2025. To the extent that the section 301 duties apply at commercially prohibitive levels, they may effectively overwhelm the value of AGOA's duty-free treatment. Losing the preference would then represent a smaller component of the overall tariff burden, although it would remain an unwelcome additional cost.

The distinction matters because additional duties which the first and second Trump administrations imposed do not cancel out ordinary customs duties. Rather, their scale may mean that restoring AGOA access alone would not restore competitiveness.

Relationships can help preserve market access

Established supplier-buyer relationships remain valuable. Quality, consistency, reliability and confidence in a supplier's performance can influence purchasing decisions alongside price. Where the incremental duty is relatively modest, an exporter and its

customer may find a commercially workable way to mitigate the burden of the additional cost.

Some exporters may absorb part of the increase; some buyers may absorb higher prices or even pass them on to the consumer. Neither outcome should be assumed. The scope for adjustment depends on, among other things, margins, volumes, exchange rates and the strength of the relationship.

Citrus (orange) provides a useful example. Even where competitors such as Peru and Chile benefit from shorter transit routes to the US, South African suppliers may still have an opportunity to retain US market access, particularly because the AGOA benefit (a waiver of a 1.53% tariff) was modest to begin with and harvesting seasons differ. It would be surprising if South African exporters were unable to accommodate such a modest cost increase, either by sacrificing margin or by optimising the supply chain or production process. In addition, they should be able to leverage existing strengths, including dependable service, quality, established customer confidence and off-season supply. Those strengths do not eliminate freight disadvantages or prohibitive tariffs but they justify a careful assessment rather than an automatic decision to withdraw.

Exporters should engage buyers early, supported by realistic cost models that include potential burden-sharing arrangements and a clear understanding of contractual responsibilities.

Diversification is an opportunity to grow

Protecting US business and developing new markets are complementary strategies. South Africa need not abandon established customers to reduce its dependence on any single destination.

The African and European markets, with which South Africa has existing preferential market access arrangements, should form a central part of that effort. Businesses should identify demand for their products, cultivate distribution partnerships and assess whether available trade preferences improve their commercial position. Product coverage, rules of origin and practical border arrangements must be checked before preferential access is factored into pricing.

China, India, the Middle East and other global markets also warrant focused attention. Existing trade routes and links provide a starting point, but a shipping route does not create a customer. Exporters need to identify suitable buyers, understand local business cultures and invest in relationships.

Market development also requires attention to product standards, import approvals, payment security and delivery reliability. Diversification should be a deliberate growth strategy, not merely an attempt to redirect unsold stock.

A useful first step is to rank products and customers by exposure, profitability and growth potential. That exercise can distinguish US orders worth defending from opportunities better pursued elsewhere. It can also help businesses prioritise investment in distribution, compliance and logistics, rather than spreading resources too thinly across unfamiliar markets without a clear route to profitable sales and repeat business.

Industry and government have complementary roles. Co-ordinated market promotion, practical assistance with access barriers and stronger trade routes can support exporters. Businesses must then translate those opportunities into sustainable commercial relationships.

Keep the door open without waiting

Seeking reconsideration of an exclusion decision remains worth exploring. However, any formal appeal or review mechanism must be confirmed against the actual decision and applicable framework; a successful challenge cannot be assumed.

Annual eligibility reviews provide opportunities to make the case for renewed access. An annual review does not, however, guarantee reinstatement or relief from additional duties.

Major policy amendments may prove more achievable after the current administration leaves office and following the recent midterm election results. The Democrats' midterm election victory presents an immediate opportunity. While reversing the decision to remove South Africa from AGOA may be difficult to achieve, given that the removal was affected through an executive decision by President Trump, the decision could come under increased scrutiny as part of broader efforts by the Democrats to exert pressure on the administration to mend strained trade relations. It would therefore be strategic for South Africa to start building bipartisan relationships with the US Congress urgently.

However, all these options are political possibilities, not a legal timetable. Export strategies should not depend on political variables.

A more resilient export future

The practical response is neither complacency nor pessimism. It is to distinguish manageable incremental costs from structural barriers, protect valuable relationships and pursue new customers with purpose. For South African exporters, a broader footprint

across Africa and the wider world could turn today's uncertainty into lasting commercial resilience.

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