Concern in Africa as winds of change sweep through Washington

By Fred Meintjes | 12 November 2024

Trump's election victory is causing uncertainty for the future of Africa-US trade

The prospect of a second Trump Administration is causing consternation among African companies that trade with the US. Of major concern is whether the African Growth and Opportunities Act (AGOA), which is due to be renewed next year until 2042, will be affected.

One leading bank in Africa, Afreximbank, has already indicated that it is starting an intense lobbying process in Washington to ensure that the Trump Administration listens to what Africans want: the renewal of the 24-year-old cornerstone of US economic policy on the continent.

Most observers feel that the transition period between now and end January 2025 is perhaps the time to keep a low profile.

The transfer of power in the US is not coming at a good time. It was hoped that negotiations on the extension of the AGOA, which has been under discussion for some years, would have been concluded under the Biden Administration.

For the South African fresh produce industry, the extension of AGOA is extremely important. Citrus growers in the Cape region have built a very successful summer citrus business with receivers in the US over the past two decades and the benefits of AGOA are central to this. Other South African fresh produce sectors keen to increase exports to the US could also lose out under a Trump regime.

President Trump is due to visit Africa in 2025 when South Africa hosts the G-20 Summit. Whether there will be time for AGOA negotiations before then remains to be seen.