

South Africa retains AGOA trade benefits with the US through 2025 amid diplomatic tensions

Despite the complexities in diplomatic relations between South Africa and the United States, South Africa will continue to enjoy preferential access to the US market through 2025. This decision follows the Office of the US Trade Representative's annual review under the African Growth and Opportunity Act (AGOA), which did not alter the list of countries eligible for duty-free access to the US.



Concerns have been raised by the US regarding South Africa's diplomatic positions, including its relationships with China, its stance on the conflict in Ukraine, and its actions towards Israel at the International Court of Justice. These issues have prompted the US House to pass a defense policy bill with an amendment for a review of South Africa's national security risks to the US, a bill that is pending further approval.

For South Africa, the US stands as a significant trade partner, second only to China. The continuation of AGOA benefits is crucial for South Africa, especially given the economic challenges it faces. AGOA, which allows duty-free entry for certain goods into the US market, is set to expire in 2025. Discussions for its extension until 2041 are underway, though formal confirmation is pending.

Currently, 17 African countries, including Ethiopia, Uganda, and Zimbabwe, do not qualify for AGOA's preferential market access. The status of AGOA and its impact on trade dynamics remains a focal point for the involved nations.

Source: BNN Bloomberg (<https://www.bnnbloomberg.ca/business/company-news/2024/12/23/south-africa-retains-preferential-us-market-access-for-2025/>)

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