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Facts don't support Trump's reasoning for a 30% tariff on SA

The average tariff applied to US imports entering South Africa are closer to 7.5% than 60%. This effectively means the end of Agoa.

By **Ciaran Ryan** · 4 Apr 2025 04:04

The latest Trump tariffs potentially spell trouble for vehicle producers such as Mercedes and BMW in the Eastern Cape, says the author. Image: Supplied

US President Donald Trump imposed a 30% tariff on South African goods entering the US on the basis that South Africa imposes a 60% reciprocal tariff on US goods entering SA.

This looks generous since the US is levying tariffs at half the rate applied by SA.

But this is nowhere near accurate. XA Global Trade Advisors CEO Donald MacKay says the average applied by SA on US goods (and those from other countries) is closer to 7.5%.

The table below, based on a sampling of tariff headings, supports this.

So, where does the 60% figure come from?

Read: **Trump tariffs: SA gets hit with a 30% reciprocal duty**

Other countries slapped with higher tariffs by the US administration are equally perplexed at the tariff levels they are supposedly levying on US goods. The Financial Times reports how the US came up with these figures:

"Here's what the White House and its crack team of trade investigators seem to have done: Take the US's goods trade deficit with any particular country and divide it by the total amount of goods imported from that country. Cut that percentage in half, and there's the US's 'reciprocal' tariff rate," says the FT.

On Wednesday, Trump announced a baseline 10% tariff on all goods entering the US, with higher reciprocal tariffs on those countries deemed to impose high trade barriers on US goods. The US slapped China with a 34% reciprocal tariff, Japan with 24%, and South Korea with 25%. Brazil, a competitor in many markets to SA, got off lightly with a 10% tariff.

> **MacKay says following Trump's logic of applying tariffs at half the level imposed by any particular country, SA should be paying 3.75%, not 30%.**

Countries around the world have promised countermeasures against the US, many of which are expected to be announced within days. Trump has used tariffs as a negotiating tool to extract better deals for the US, most notably with neighbours Canada and Mexico.

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He has also indicated he would consider lowering tariff rates if countries adopted measures to assist US exports. Part of the reasoning for the wall of tariffs is to exert leverage over major trading partners in Asia and Europe to get them to stop manipulating their currencies.

A strong US dollar makes US goods more expensive abroad, and by some accounts, Trump would like to see a weaker dollar.

SA tariffs on US goods

Poultry	37-62% (based on a 2023 anti-dumping duty increase, with some duty-free exemptions for US chickens)
Fresh fruits	0-10% (average 4-5%)

Wheat	0% (subject to adjustments based on domestic shortages)
Corn	0-5%
Sugar	0-20% (higher duties on refined sugar to protect local producers)
Wine and spirits	25-100% (higher duties for distilled spirits)
Manufactured goods	
Machinery	0-10%
Light vehicles	25%
Auto parts	20%
Apparel	45% (one of the highest tariff rates for manufactured goods)
Textile yarns	15%
Electronics	0% (for many IT products to encourage local tech adoption)
Chemicals	0-10% (the lower tariffs are to support agriculture)

Source: Moneyweb and World Trade Organisation

The above table clearly shows that very few goods are imported from the US at any rate near 60%.

Figures from the United Nations Comtrade database show SA exported $8.21 billion (R150 billion) to the US in 2024, with nearly half of this dominated by platinum (more than $2.5 billion) and vehicles ($1.4 billion). Aluminium, iron, and steel made up another $1 billion.

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Vat at 15% tax applies to nearly all imports on top of tariffs, unless exempt, such as certain manufacturing inputs.

What's exempted

Some goods will not be subject to reciprocal tariffs, according to a statement from the White House. These include steel and aluminium articles and autos and auto parts already subject to pre-existing tariffs; copper, pharmaceuticals, semiconductors, and lumber articles; bullion; energy and other certain minerals that are not available in the US; and any articles that may become subject to future Section 232 tariffs (which broadly deal with US national security).

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Exemptions aside, the latest Trump tariffs potentially spell trouble for vehicle producers such as Mercedes and BMW in the Eastern Cape. South African fruit and citrus exports to the US are counter-seasonal, so imposing tariffs on these products will increase prices in the US.

> **The new tariffs imposed on SA effectively mean the end of the African Growth and Opportunity Act (Agoa), allowing SA duty-free access to the US market for more than 1 800 products, such as citrus and wine.**

MacKay says another likely impact of the new tariffs will be a global surplus in all sorts of goods that are suddenly uneconomic to export to the US. These will end up being dumped and discounted in markets around the world.

"I expect we will see a new round of tariff applications from companies in SA and around the world," he says. "We will probably see plenty of applications for anti-dumping duties, safeguard duties and other forms of protection."

The Budget Lab at Yale University says the latest Trump tariffs boost the effective US tariff rate by 11.5% to 22.5%, the highest level since 1909.

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