

TRADE/INVESTMENT

South Africa optimistic about Agoa renewal

1 Oct 2025 - By Lyse Comins



Minister of Trade, Industry, and Competition, Parks Tau, has expressed strong optimism about the renewal of the African Growth and Opportunity Act (Agoa) following high-level engagements in the United States.

Tau's optimism follows discussions in Washington DC and New York, where he said bipartisan support for the trade agreement was evident, despite uncertainties surrounding its renewal timeline and legislative framework.

During his visit, Tau engaged with the United States Trade Representative and members of Congress in Washington DC. He supported President Cyril Ramaphosa in meetings with both Republican and Democratic congressional members in New York.

"The overall message was that there remains broad support for the renewal of Agoa in Congress across the aisle," Tau said in a statement on Tuesday, in which he highlighted the positive sentiment toward the programme.

However, he said "Questions remained on the period of renewal, the timing of when Agoa will be renewed, and also the legislative vehicle for

renewal.”

According to Tau, a consensus suggests that Agoa “may be renewed for a short period of between one to three years to allow Congress to introduce changes and improvements to the programme.”

The timing of the renewal hinges on the legislative vehicle Congress selects, with some members cautioning that while Agoa expired on 30 September 2025, “efforts will be made to renew Agoa as soon as possible thereafter”.

Currently, Congress is focused on a Continuing Resolution Bill to secure government funding and avoid a shutdown of the programme, which may delay Agoa discussions.

Agoa, a cornerstone of South Africa-US trade relations, provides duty-free access to US markets for eligible African countries.

In 2024, total bilateral trade between South Africa and the US reached \$20.4 billion, with South African exports totalling \$14.6 billion, of which \$4 billion (28%) benefited from Agoa and the generalised system of preferences.

Key exports under Agoa include automotives, ferro-alloys, citrus, jewellery, nuts, chemicals, wines, engines, turbines, and ships and boats. Without Agoa, South African exports face most-favoured-nation tariffs and unilateral tariffs imposed by the US, potentially disrupting trade flows.

“South Africa through its Embassy in Washington DC, supported by the dtic, continues to engage with all relevant stakeholders, including Congress, to advocate for the renewal of Agoa, with South Africa retained in the programme,” Tau said.

He said the “priority is to get Agoa renewed even if it is for a short period to support South Africa’s exports to the US”.

South Africa is also collaborating with other Agoa-eligible countries through the African Union’s Permanent Mission in Washington DC, which recently sent a letter to congressional committees urging urgent renewal.

Recent US tariffs, notably those from the Trump administration, have diminished some Agoa benefits, impacting sectors like agriculture and motor manufacturing. However, Tau noted that 36% of SA exports were currently exempted from the unilateral tariffs, including copper, pharmaceuticals, semiconductors, lumber articles, critical minerals, stainless steel scrap, and energy products. To mitigate risks, South Africa is diversifying its export markets to reduce reliance on the US.