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Tau upbeat about Agoa's continuation

Believes the agreement continues to 'enjoy bipartisan support' in the United States Congress.

By **Liesl Peyper** · 30 Sep 2025 16:44

Minister Parks Tau says the priority is to get Agoa renewed, even if it is for a short period, to support South Africa's exports to the United States. Image: Moneyweb

Trade, Industry and Competition Minister Parks Tau remains optimistic about the renewal of the African Growth and Opportunity Act (Agoa) following a recent visit to Washington, DC and New York.

York.

In a statement issued on Tuesday, Tau said he believes Agoa continues to enjoy bipartisan support in the United States Congress.

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In Washington, he engaged with the US trade representative and members of Congress, while in New York, he supported President Cyril Ramaphosa in meetings with both Republican and Democratic lawmakers.

"The overall message was that there remains broad support for the renewal of Agoa. However, questions remain on the period of renewal, the timing of when Agoa will be renewed, and the legislative vehicle for renewal," the minister states.

Uncertainty remains

Former US President Bill Clinton's administration introduced Agoa in 2000 to deepen trade ties with sub-Saharan African countries. It has been extended several times – most recently in 2015 when it was renewed for 10 years.

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> **Under the current iteration, South Africa and 30 other countries enjoy duty-free access to US markets.**

According to Reuters, the Trump administration has not made a public statement on Agoa since taking office in January, which leaves the legislation's prospects for extension before the expiry uncertain.

The only realistic legislative path is for Agoa to be attached to the stopgap funding bill that Republicans are pushing, to keep the US government open beyond Tuesday, although it could be reinstated later.

Tau notes in his statement that some members of Congress cautioned that Agoa could expire on 30 September 2025, but efforts will be made to renew it as soon as possible thereafter.

"Currently, Congress is seized with a Continuing Resolution Bill to pass funding for government and avoid a shutdown," he adds.

According to him, the consensus indicates that Agoa may be extended for a short period of between one and three years, to allow Congress to introduce changes and improvements to the programme. "The timing will depend on the legislative vehicle chosen," he notes.

'Even if it is for a short period'

South Africa is working with other Agoa-eligible countries, coordinated through the African Union Permanent Mission in Washington, DC. The African Diplomatic Corps, via the offices of the Dean and the AU Permanent Mission, has written to the relevant congressional committees advocating for the urgent renewal of Agoa.

"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," says Tau, adding that the priority is to get Agoa renewed, even if it is for a short period, to support South Africa's exports to the US.

Major exports under Agoa include automotives, ferro-alloys, citrus, jewellery, nuts, chemicals, wines, engines and turbines, as well as ships and boats.

Most-favoured nation tariffs

According to US International Trade Commission data, total bilateral trade between South Africa and the US reached $20.4 billion (R352.5 billion) in 2024.

South Africa's exports to the US amounted to $14.6 billion (R252.3 billion), while imports were $5.8 billion (R100.2 billion).

Agoa, including the Generalised System of Preferences, accounted for 28% of South African exports to the US, or $4 billion (R69.1 billion), while the most-favoured-nation (MFN) regime accounted for 72% of exports.

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If Agoa is not extended by 30 September 2025, South African exports will be subjected to MFN tariffs*, as well as unilateral tariffs, Parks states.

** MFN tariffs are the default tariff rates that the US applies to imports from countries that do not have a special trade agreement or preferential access programme, such as Agoa.*

The department notes that 36% of South Africa's exports are currently exempt from unilateral tariffs. Products on this list include copper, pharmaceuticals, semiconductors, lumber articles, certain critical minerals, stainless steel scrap, and energy-related products.

Revised tariffs

In April this year, the Trump administration introduced steep tariffs on multiple countries to eliminate trade deficits. The Institute for Security Studies notes in **ISS Today** that the tariff levels at the time were tied to individual nations' trade deficits, rather than their actual barriers to US trade.

By August, revised tariffs were put in place, which lowered duties to 10% or 15% for most African countries, with a few exceptions, including South Africa, which is facing duties of 30%

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The tariffs are especially damaging for South African vehicle exports, as well as citrus and wine shipments to the US.

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