

*quo vadis?* – a good question

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“Global Trade Policy and  
Geopolitical developments -  
Trumponomics and beyond”

# AGOA and the US

- This is a non-reciprocal agreement offered to Africa with terms and conditions set by US 'Conditionality'
- Does it really amount to much?
- Most imports are fuel related which are duty-free anyway. It boils down to vehicles from South Africa and clothing from a few countries.

# US Imports from Africa

- Combined two-way goods trade in 2015 was valued at \$36 billion (evenly split)
- Exports to US mainly fuel – therefore irrelevant
- Clothing most crucial exports, tariff concessions and ROO better

# South Africa

- South Africa – autos versus chickens. South Africa shouldn't be protecting its chicken sector anyway (It has to import soy beans to feed them, and chickens are only soya beans with legs)
- 2015 - 78.5% of US imports under AGOA from South Africa were autos. (10<sup>th</sup> US importer). They are vulnerable from Trump supporters in the “Rust Belt”
- Agricultural access provides limited benefit to South Africa

# Vulnerability

In essence, US holds all the cards and can use the 'Out of cycle' review as their trump card

Will the US look at EPAs and see the EU getting tariff concessions into Africa and want the same? **Under Trump, YES**

# Other Issues

- 2016 killed the TPP agreement
- What does this mean for Africa?
- Not much directly (perhaps some relief for clothing exporters to US)
- But it stalls international progress
- How will this impact on African integration?