

Davies prepares SA for Agoa trade suspension

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The possible suspension of South Africa from the African Growth and Opportunity Act (Agoa) will hugely affect the agricultural sector first, Trade and Industry Minister Rob Davies said on Monday. "The first set of exclusions will be on agricultural products, but we have been told that it can be reversed if we reach an agreement," Davies told reporters in Pretoria.



U.S. Department of State via [Wikimedia Commons](#)

The impacts would be on citrus, macadamia nuts, wine, canned food and avocados to mention a few, said Davies.

Playing in extra time

"We have been told that we will still be able to continue with negotiations even after the whistle is blown," said Davies, who added that South Africa was playing in extra time. He said there will be another meeting on 6 January, where there will be an indication if the whistle has been blown.

"It is our priority to conclude this process without any risk of uncertainty." South Africa is at risk of losing its Agoa benefits over the health issues of US imports, with veterinarian authorities from both countries locked in negotiations. He said Agoa officials were told to seek solutions and answers in the negotiations.

The briefing followed South Africa missing its December 31 deadline to resolve a dispute on trade levies.

On the verge of suspension

Agoa, renewed by US lawmakers in June, eliminates import levies on more than 7,000 products ranging from textiles to manufactured items and benefits 39 sub-Saharan African nations. Total two-way trade between South Africa and the US was about R217bn last year, according to Bloomberg. Davies added that the impacts would be on citrus, macadamia nuts, wine, canned food and avocados to mention a few.

Reports indicated that the US is on the verge of suspending South Africa from Agoa after it missed its December 31 deadline to resolve a dispute on trade levies. US President Barack Obama is expected to make an announcement as early as Monday.

When the deadline expired at midnight on December 31, "outstanding issues" had not been resolved, Trevor Kincaid, spokesperson for the office of the US Trade Representative, told Business Day, which added that talks had continued late into New Year's Eve. The suspension will go into immediate effect once it has been announced, affecting all relevant goods not yet landed in the US, including those in transit, the Business Day explained.

Waiting for feedback

"Both sides have made progress in the negotiations," Davies said on Monday. "The dti has submitted a beef proposal and is waiting for feedback. The salmonella issue is also still outstanding and we are awaiting feedback. "We recognise we are in extra time," he said, adding that the dti will continue negotiations even if Obama blows the whistle on Agoa.

Bloomberg reported on December 31 that South Africa was confident of meeting its deadline to resolve a trade dispute that will allow it to retain duty-free access for farm export. "We are totally committed to finding a resolution," dti director-general Lionel October told Bloomberg at the time, while dti Minister Rob Davies said "yes and no" when asked by Business Day whether he thought the negotiations would fail.

Source: News24

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