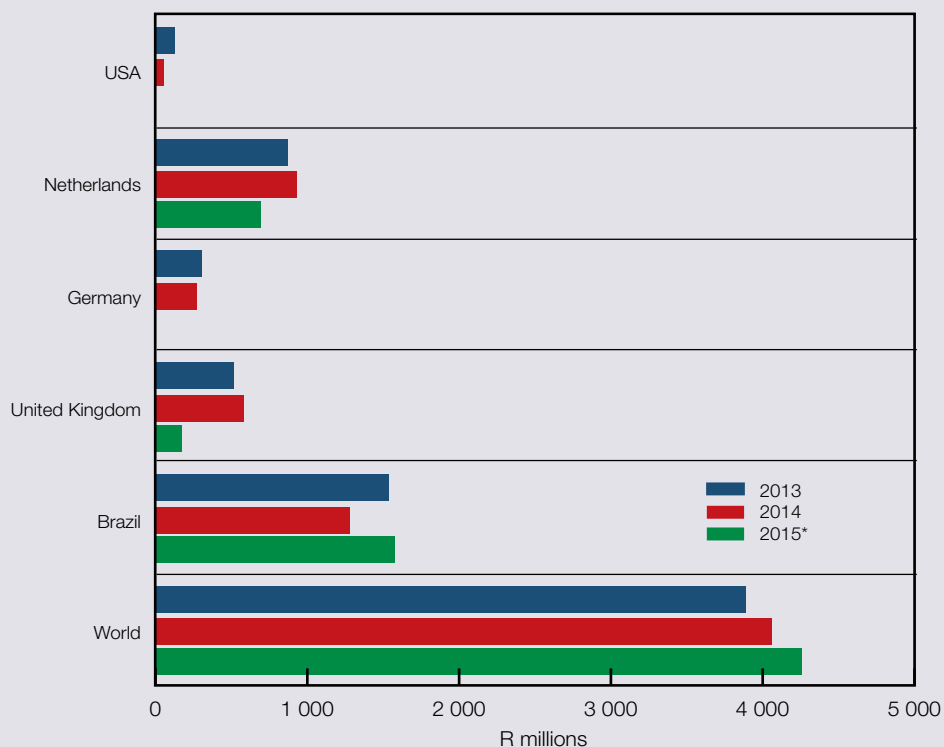


Box 1 AGOA: trade between South Africa and the United States

The Africa Growth and Opportunity Act (AGOA) was enacted in the United States (US) in 2001 as an extension of the Trade and Development Act of 2000. In terms of the Act, the US unilaterally runs a preferential trade programme allowing 48 sub-Saharan countries, including South Africa, to export duty-free to the US under roughly 6 400 tariff lines. AGOA aims to promote a free-market system, expanding US-Africa trade and investment, stimulating global economic growth, and assisting sub-Saharan countries' integration into the global economy. The AGOA Extension and Enhancement Act (AEEA) of 2015 was signed on 29 June 2015, extending the benefits in terms of AGOA for a further 10 years. In return, member countries are expected to remove barriers to US trade and investment, allow and promote a market-based economy, protect workers' rights, and implement economic policies to reduce poverty.

In the case of South Africa, the AEEA came with the condition, as announced on 11 January 2016, that South Africa does away with the trade barriers to allow US chicken exports into the country by 15 March 2016, failing which the country will be excluded from the duty-free programme. On 18 December 2015, South Africa published the rebate provision and guideline for the import of 65 000 tons of US bone-in chicken pieces into the country, exempt from anti-dumping duties. The first shipment of US chicken arrived in South Africa at the end of February 2016.

South African imports of poultry by country of origin



* Up to November

Source: South African Revenue Service

The graph depicts South African imports of poultry from various countries. South Africa sources most of its poultry from Brazil, whose share has increased steadily since 2013. The Netherlands have been the second-largest supplier, followed by the United Kingdom (UK). The total value of poultry imports from the US decreased from R127 million in 2013 to R58 million in 2014 and further to only R2 million in 2015.

South African chicken exports to the US amounted to R67,6 billion in 2013, R69,4 billion in 2014 and R77,8 billion in 2015. The total AGOA tariff relief experienced by South African exporters amounted to R508,6 million in 2014, with the primary domestic beneficiary industries being vehicles (R354,6 million), base metals (R65 million), agriculture (R61,8 million), and chemicals (R11,9 million).

In the sub-Saharan region, South Africa is regarded as the main exporter and beneficiary under AGOA, having supplied roughly 40 per cent of AGOA's total imports in the first ten months of 2015. Angola and Nigeria contributed approximately 23 per cent and 15 per cent respectively over the period.

Selected US imports, 2015

R millions

	World	AGOA*	South Africa under AGOA*	Share of South Africa in AGOA*
Edible fruit, nuts, peel of citrus fruit, melons.....	158 257	21 887	1 599	7,3
Vehicles other than railway, tramway	2 898 138	13 593	13 575	99,9
Ores, slag and ash	29 129	7 505	3 897	51,9
Inorganic chemicals, precious metal compound, isotopes	139 222	2 508	2 504	99,8
Organic chemicals.....	545 902	3 762	3 753	99,8
Meat and edible meat offal	148 993	3 128	7	0,2

* The Africa Growth and Opportunity Act (AGOA)

Source: International Trade Centre (ITC) calculations based on United Nations Commodity Trade Statistics Database (UN COMTRADE) Trade Map January to October.