

Box 2 An analysis of trade tariffs on South Africa's exports to the United States

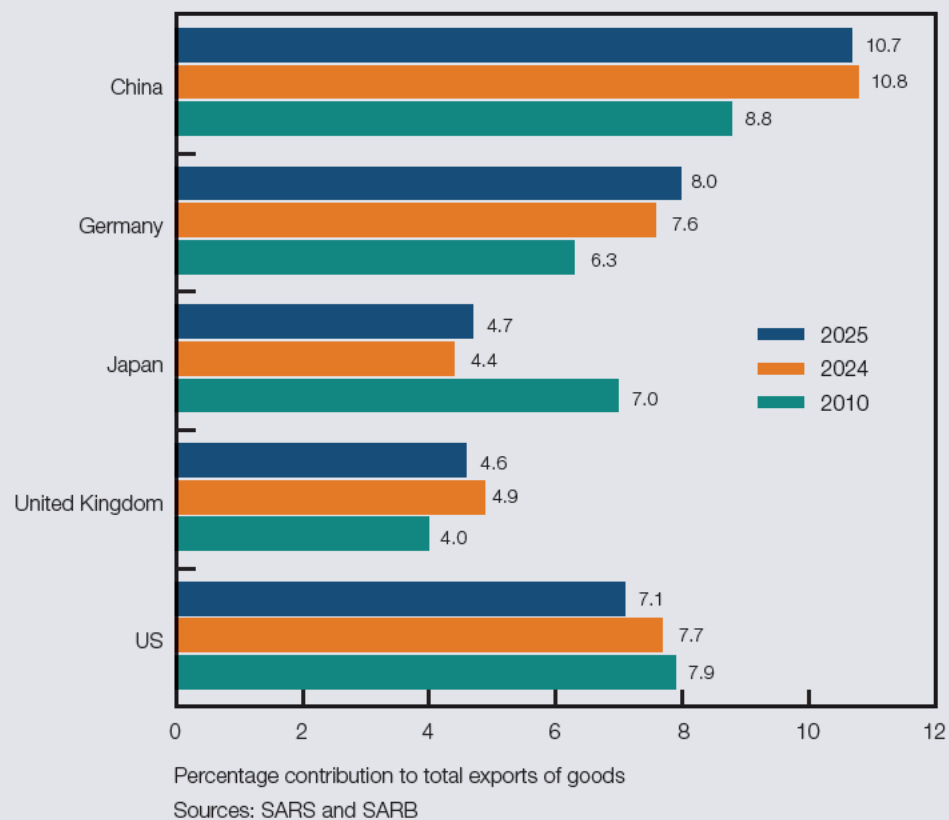
South Africa has maintained long-standing trade relations with the United States (US), marked by extensive bilateral trade flows that have generated mutual economic gains. Historically, this relationship has been characterised by a diverse range of imports and exports, highlighting the complementary strengths and diversity of both economies. In 2025, the US ranked as South Africa's third-largest trading partner, after China and Germany, accounting for 7.1% of total exports and 6.8% of total imports of goods.



Recent increases in trade tariffs have significantly impacted South Africa's export volumes to the US, with the implementation of Section 232¹ in particular affecting passenger vehicles and parts (which are now subject to a 25% tariff) as well as steel and aluminium (which now face a 50% tariff). In addition, a 30% reciprocal tariff on selected goods took effect in August 2025, and the temporary lapse of the African Growth and Opportunity Act (AGOA) benefits at the end of September 2025 increased tariff rates further, adversely affecting the competitiveness of South Africa's exports to the US. Although AGOA was subsequently extended for one year in early February 2026, the Section 232 and reciprocal tariffs remain in effect. This box examines how recent US trade tariffs have affected South Africa's export performance to the US market by identifying and assessing the affected sectors and analysing the impact on South Africa's overall exports.

In 2024, South Africa's exports were largely destined for five major markets: China, (accounting for approximately 10.8% of the total value of exports), followed by the US (7.7%), Germany (7.6%), the United Kingdom (4.9%), and Japan (4.4%). This ranking changed slightly in 2025: with the US' contribution decreasing by 0.6 percentage points, its ranking dropping from second to third, partly reflecting the changes in the tariff regime during the year.

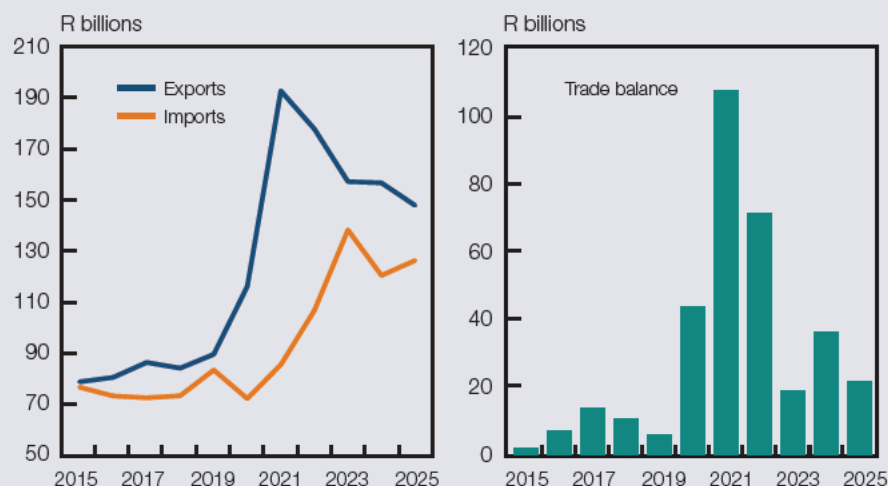
South Africa's top five goods exports destinations



South Africa has consistently recorded a trade surplus with the US as the value of exported goods has exceeded that of imports. The establishment of AGOA in 2000 supported these positive trade balances, which peaked at R108 billion in 2021, in part due to a surge in commodity prices. AGOA also enhanced the competitiveness of South African exports by granting preferential access to the US market. This preferential treatment facilitated increased export volumes and improved market access, thereby strengthening South Africa's position in the US market.

¹ Section 232 of the Trade Expansion Act of 1962 allows the US to impose restrictions on goods imports or to enter into negotiations with trading partners following an investigation into those goods that threaten to impair US national security.

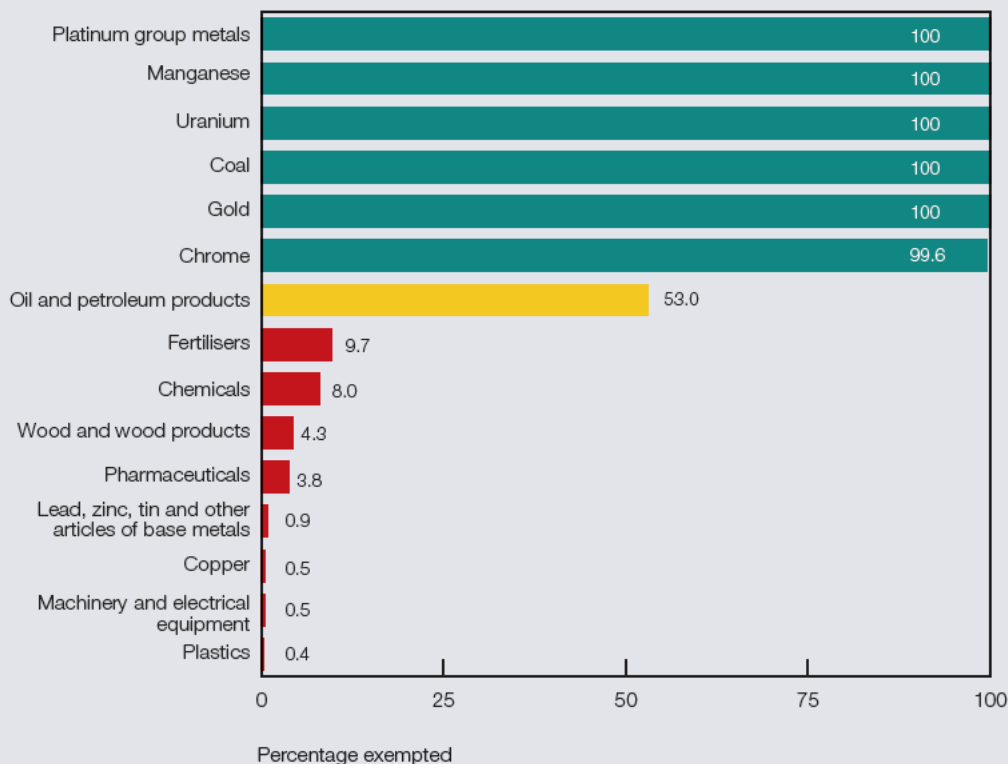
South Africa's merchandise trade with the United States



Sources: SARS and SARB

South Africa's exports to the US consist of a diverse range of mining, agricultural and manufacturing products, underscoring the strategic importance of this bilateral trade partnership. However, the implementation of reciprocal tariffs has disproportionately affected South Africa's value-added export sectors, particularly the agriculture and manufacturing sectors, with exemptions only granted for products deemed strategically significant to the US economy. These exempted products include, but are not limited to, platinum group metals (PGMs), coal, gold, manganese and chrome ore, selected pharmaceuticals as well as oil and petroleum products. Although the reciprocal tariffs were mainly implemented on manufacturing products, with the impact exacerbated by the Section 232 tariffs, some products were fully or partially exempted from these tariffs.

Selected exports exempted from reciprocal tariffs, by category*

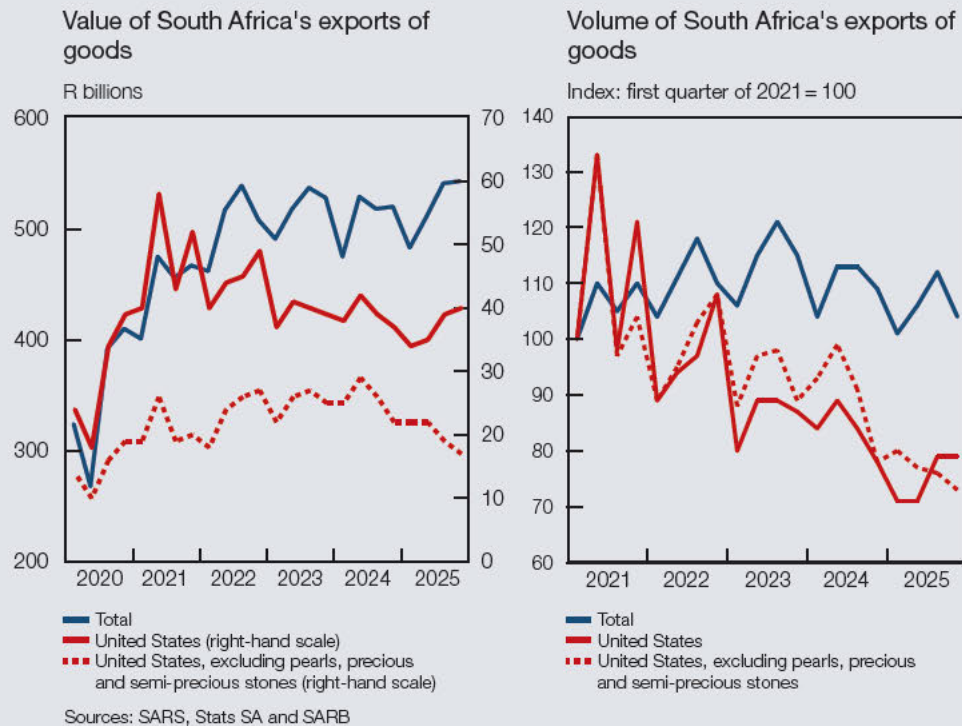


Percentage exempted

* Based on 2024 merchandise exports to the US and tariffs announced on 2 April 2025.

Sources: US government, SARS and SARB

After peaking at R193.0 billion in 2021, South Africa's exports to the US decreased to R156.8 billion in 2024, while imports increased from R85.3 billion to R120.4 billion over the same period, resulting in a trade surplus of R36.4 billion in 2024. However, the continued decline in the value of exports alongside rising imports narrowed the trade surplus further to R21.7 billion in 2025. On a quarterly basis, the value of South Africa's exports to the US increased at a slower pace of 2.9% in the fourth quarter of 2025, down from 11.8% in the third quarter. However, when excluding pearls, precious and semi-precious stones, the value of exports to the US declined by 9.9% in the fourth quarter of 2025 after contracting by 15.6% in the third quarter, reflecting the strong impact of the surge in gold and PGM prices on the overall value of exports. Notable declines were recorded in the export values of vehicles and transport equipment; chemical products; prepared foodstuff, beverages and tobacco; and base metals and articles thereof.

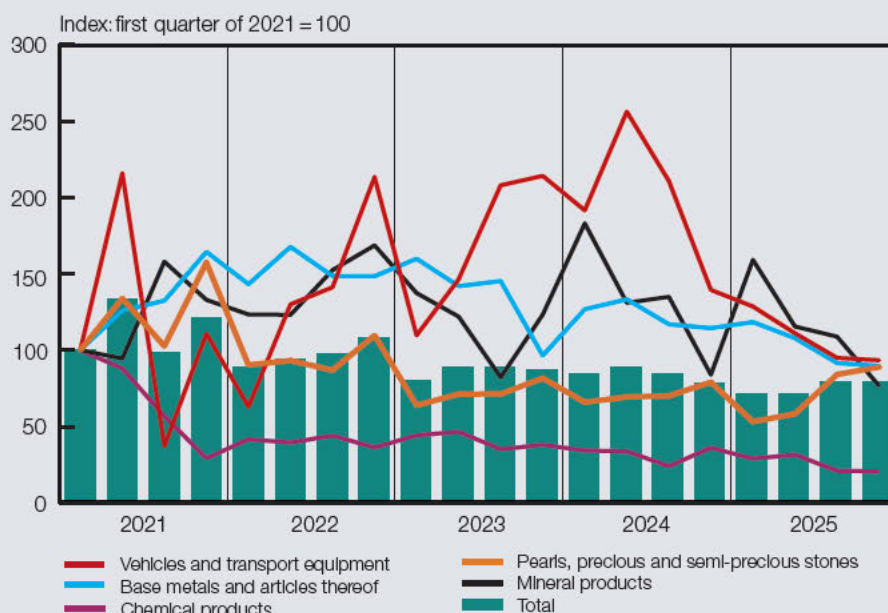


Similarly, South Africa's export volumes to the US have been trending lower since the third quarter of 2024, largely reflecting the reduced export volumes of vehicles and transport equipment. The export volumes briefly recovered in the third quarter of 2025, likely reflecting pre-emptive buying in anticipation of the impending 30% reciprocal tariff that was implemented in August. The volume of domestic exports to the US then resumed its downward trend in the fourth quarter of 2025, mainly due to notable declines in the exports of mineral and vegetable products. Despite these declines, a significant increase in the export volumes of pearls, precious and semi-precious stones helped to offset some of the overall reduction.

In 2024, exports of pearls, precious and semi-precious stones; and vehicles and transport equipment as well as base metals and articles thereof accounted for about 71.2% of total exports to the US, which increased to 73.2% in 2025. In value terms, the share of pearls and precious metals increased from 35.1% in 2024 to 35.6% in the first half of 2025, and substantially further to 54.9% in the second half. By contrast, the share of vehicles and transport equipment decreased from 22.1% to 16.6% in the first half of 2025, and further to 11.5% in the second half.

The value of exported pearls, precious and semi precious stones increased substantially by 78.1% in the second half of 2025, largely reflecting the surge in PGM prices and an increase in the physical quantity thereof, as PGMs are exempted from the 30% reciprocal tariff. This increase also partly reflected base effects as PGM exports were impacted by reduced production volumes resulting from flooding at several domestic mining operations in the first half of 2025.

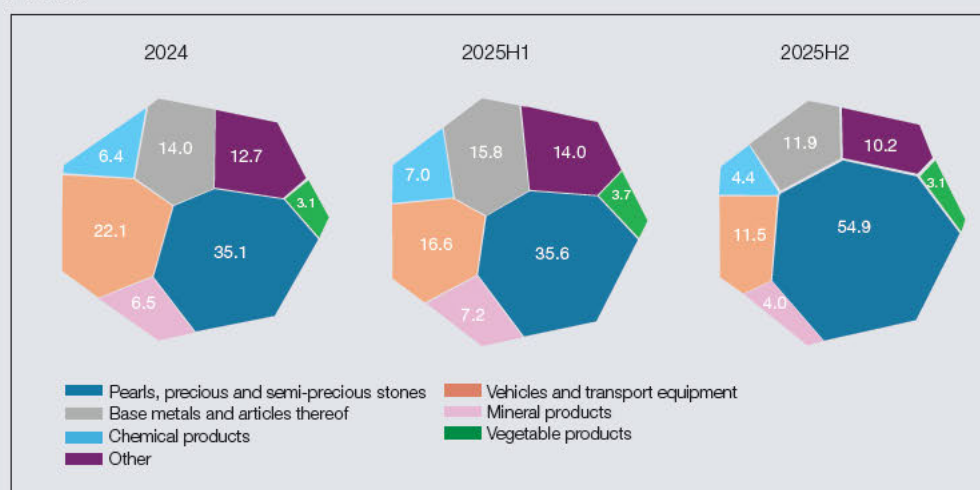
Volume of South Africa's exports of goods to the United States



By contrast, both the value and volume of exported base metals and articles thereof, vehicles and transport equipment, and mineral products to the US decreased in the second half of 2025. Exports of vehicles and transport equipment were already trending lower in the first half of 2025, mainly due to the 25% Section 232 US tariff imposed on passenger vehicles and parts in April 2025. This downward trend continued in the second half of the year following the subsequent introduction of the 30% reciprocal tariff in August. The lower export value of base metals and articles thereof reflected reduced exports of iron and steel, largely due to a combination of the imposed US tariff and systematic bottlenecks at certain South African ports, among other factors. The lower value of mineral exports was mostly due to a sharp decline in the export value of titanium ores and concentrates.

Composition of South Africa's exports to the United States

Per cent

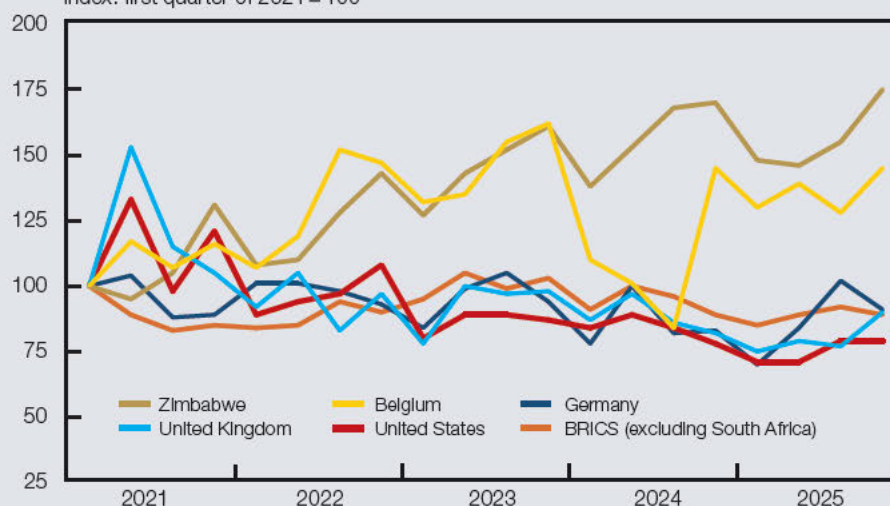


Sources: SARS and SARB

Exports by trading-partner countries indicate that South Africa's exports to the US have come under pressure since the imposition of the tariffs. By contrast, reduced exports to the US coincided with a rise in export volumes to countries such as Zimbabwe and Belgium, which absorbed some of the volumes previously destined for the US. In addition, within BRICS, increases were reflected in the export volumes to India and Brazil in the fourth quarter of 2025, while notable declines were reflected in the export volumes to Russia.

Volume of South Africa's exports of goods by selected trading partner*

Index: first quarter of 2021 = 100



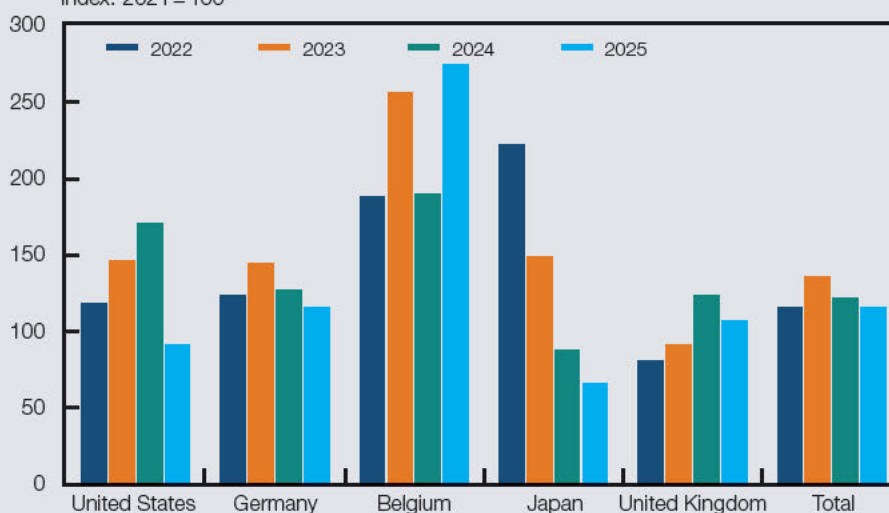
* The nominal rand values were deflated with the total price of South Africa's total exports of goods.

Sources: SARS and SARB

Although South Africa's vehicle exports to the US came under pressure, stronger growth in the export volumes of vehicles destined for Europe was recorded in 2025. Despite a decline in the total export volumes of vehicles and transport equipment in the fourth quarter of 2025, a marked increase was recorded in the vehicle export volumes to Belgium.

Volume of South Africa's exports of vehicles and transport equipment

Index: 2021 = 100



Sources: SARS and SARB

The trade tariffs imposed by the US in 2025 had a significant and disproportionate impact on South Africa's export performance, thus contributing to a change in the composition of South Africa's exports to the US. The compounding effects of the reciprocal tariffs alongside the Section 232 tariffs, especially on vehicles, aluminium and steel, reduced the competitiveness of these products in the US market. The value-added export sectors saw severe declines, while the mining sector, particularly PGMs, proved resilient, supported by the exemptions and high commodity prices. Noticeable declines were seen in the manufacturing categories, particularly vehicle and transport equipment, and in agricultural exports. Nonetheless, South Africa's overall exports remained resilient as the loss of US exports was offset by the absorption of certain goods into new markets as well as being buffered by higher commodity prices.