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Exporters should seek new markets pending Agoa decision

There is no deadline set for the completion of the proposed out-of-cycle review for South Africa's inclusion in the African Growth and Development Act (Agoa) – although it must be initiated within 30 days of the United States' (US) Agoa expansion bill being signed into law – which could mean the issue will drag on for months, according to concerned exporters.

“We need additional markets in order to export, especially for value-added goods. If we cannot have a successful relationship with the US we will look elsewhere,” Kevin Lovell, CEO of the South African Poultry Association (Sapa), told FTW Online.

He added that while South Africa's trading relationship with the US was smaller than with some other markets it had been, up to now, a more balanced one – at least in part due to Agoa. Lovell commented that Agoa impacted on 21% of South Africa's exports to the US, although he expects at least some of those exports to continue without Agoa, albeit with lower profit margins for the exporters.

Furthermore, even should SA be included in the new iteration of Agoa there are no new products on the available list and it adds new conditions for complaints by US exporters and some other negative conditions, said Lovell.

To read the full FTW article, go to FTW Online.

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