

DEEPENING TRADE AND INVESTMENT RELATIONS POST-AGOA – THREE OPTIONS FOR SOUTH AFRICA

CYRIL PRINSLOO & CHARISMA NCUBE

EXECUTIVE SUMMARY

As the US and Africa look to engage at the 2016 annual African Growth and Opportunity Act (AGOA) Forum under the theme of ‘Maximizing AGOA Now While Preparing for the Future beyond AGOA’, two pertinent issues come to the fore: leveraging AGOA until this programme of trade benefits expires in 2025, and considering the nature of trade relations post-AGOA.

The US is an increasingly important economic partner for South Africa: total trade has nearly doubled since the inception of AGOA in 2001, as has US foreign direct investment (FDI) into South Africa. Considering the changing global conditions over this period, such as the stalemate in World Trade Organization (WTO) negotiations, the slump in global commodity demand and prices, domestic economic stagnation and priorities of promoting export-led growth, South Africa needs to consider its future relations with the US.

This briefing highlights key measures South Africa can take to maximise the benefits extended under AGOA until its expiration. At the same time, three options are offered towards a more formalised trading arrangement with the US post-AGOA: a ‘simple’, ‘moderate’, and more comprehensive approach. These options are discussed in a prescriptive manner, highlighting the strengths and weaknesses of each approach, in the hopes of facilitating further research and discussion.

AUTHORS

CYRIL PRINSLOO

joined SAIIA in 2015 as a Researcher in the Economic Diplomacy Programme.

He holds an MA in International Studies from the University of Stellenbosch.

CHARISMA NCUBE

is a 2016 SAIIA/Konrad Adenauer Stiftung Scholar. He holds an LLB from the University of Fort Hare.

INTRODUCTION

AGOA has largely governed trade relations between South Africa and the US for the past 15 years, and will continue to do so until it expires in 2025. With less than nine years before this deadline, it is pertinent to analyse how AGOA can best be leveraged to fully exploit it. It is equally important to consider the options for South African–US trade relations post-AGOA.

AGOA is a programme initiated by the US in 2001 to promote development in Africa by facilitating trade with the continent while furthering its foreign policy objectives on the continent. It has been successful in boosting trade between the parties. However, AGOA was never meant to be a permanent fixture defining trading relations, but rather a stepping stone to more formalised trading arrangements. It is unsurprising that the latest extension was granted for 10 years, which is the usual amount of time it takes to negotiate formalised, reciprocal trading arrangements.

AGOA was never meant to be a permanent fixture defining trading relations, but rather a stepping stone to more formalised trading arrangements

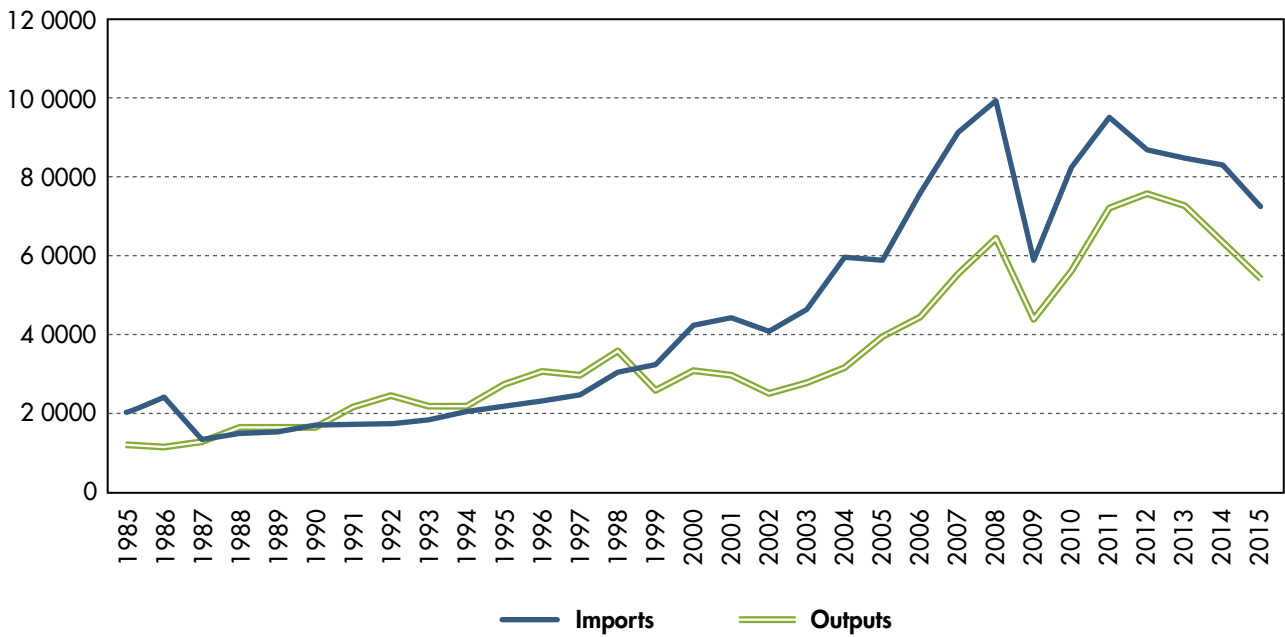
The US has become an increasingly important trade and investment partner to South Africa over the past two decades, and relations will likely continue to grow. However, the pace of this growth will depend on how these partners choose to engage going forward. This briefing outlines a number of measures South Africa can take to fully leverage AGOA and strengthen relations over the next nine years. Considering that the theme of the annual US–Africa AGOA Forum from 22–26 September 2016 is ‘Maximizing AGOA Now While Preparing for the Future beyond AGOA’, this discussion is imperative.

IMPORTANCE OF THE US TO SOUTH AFRICA

Trade and investment between South Africa and the US has increased significantly over the past two decades. Total trade (imports and exports) between South Africa and the US has grown from under \$3.3 billion in 1985 to a peak of \$16.8 billion in 2011, decreasing to \$12.7 billion in 2015 (see Figure 1). In 2015 the US was South Africa’s second biggest single trading partner after China. Trade between South Africa and the US is also significant given that South Africa has maintained a positive trade balance with the US for most of this period, and exports are not solely primary commodities but also agricultural and manufactured goods.

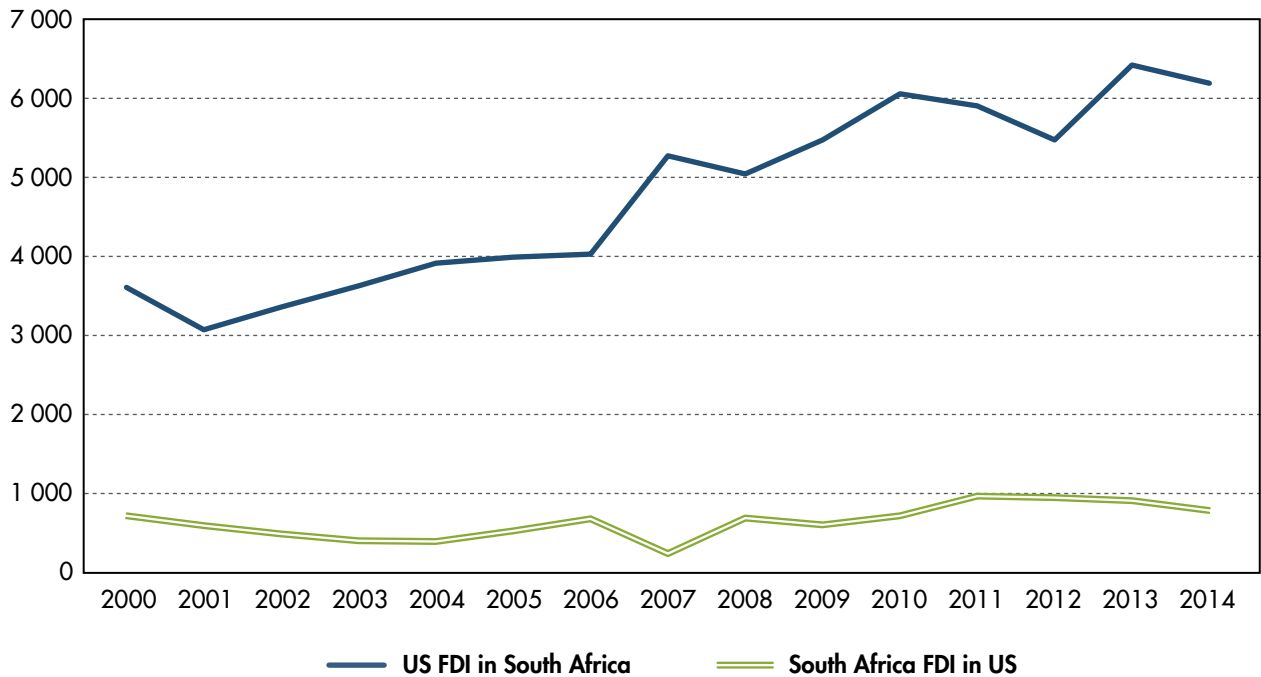
The US has also become an increasingly important investor in South Africa. While historical ties with the US have not been as strong as with more traditional partners such as the UK or the EU, US FDI into South Africa has nearly doubled over the past 15 years (see Figure 2). In 2014 the US represented almost 7% of total FDI into South Africa.¹ It is estimated that by 2015 roughly 600 US companies had invested in South Africa, contributing more than 10% of the country’s gross domestic product while employing more than 100 000 South Africans.²

FIGURE 1 US IMPORTS AND EXPORTS – SOUTH AFRICA (\$ MILLIONS)



Source: US International Trade Commission database, <https://dataweb.usitc.gov/>, accessed 7 July 2016

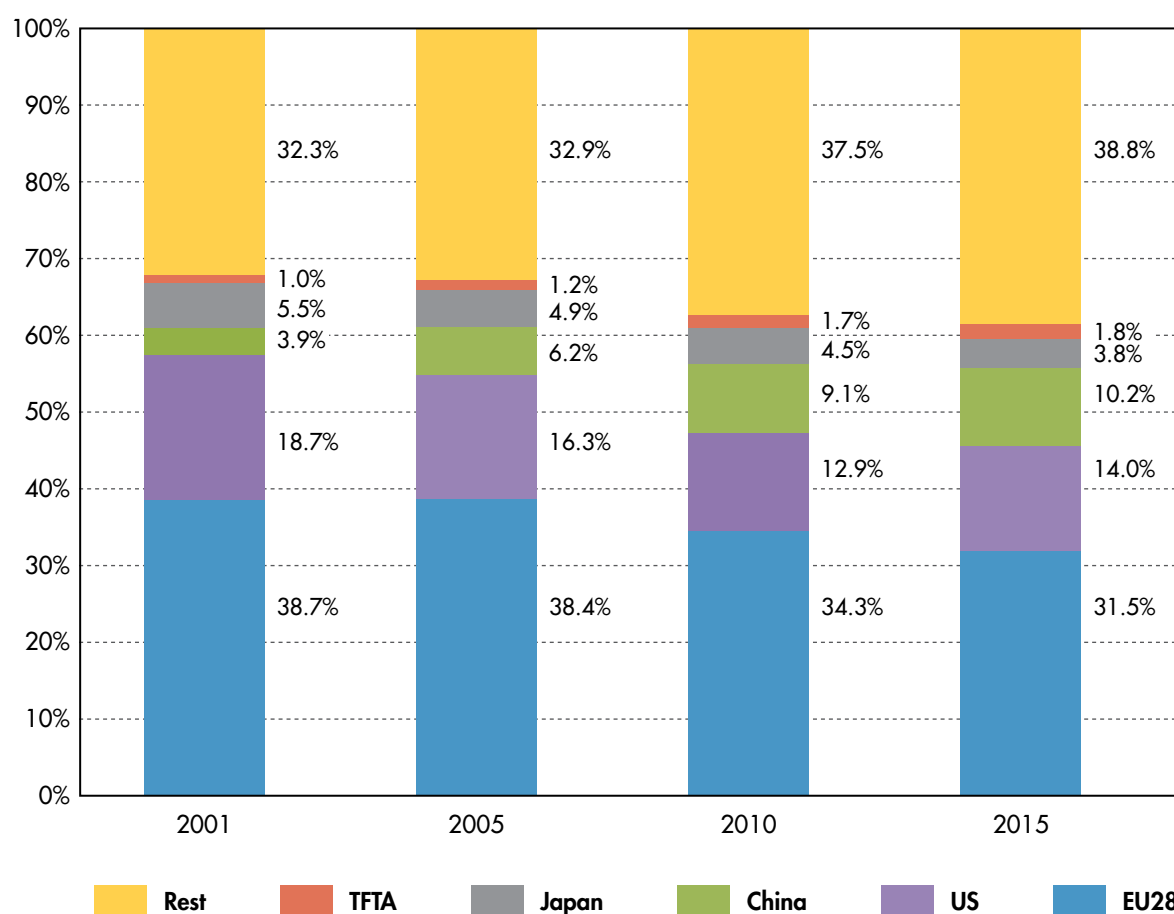
FIGURE 2 US-SOUTH AFRICA FDI (\$ MILLIONS)



Source: US International Trade Commission database, <https://dataweb.usitc.gov/>, accessed 7 July 2016

Despite South Africa's historically strong trade and investment ties with the EU, and China and India's more recent economic significance to the country, the US remains a global economic powerhouse and this relationship should also be prioritised. Diversifying economic partners is vital to mitigate economic shocks within regions or in individual partners, both traditional and new. Recent events such as the UK's decision to leave the EU and China's settling into its economic 'New Normal' indicate how economic shocks in South Africa's key partner countries come at the detriment of the domestic economy. This should encourage Pretoria to continue strengthening and diversifying its economic relations. However, this does not mean that Pretoria should limit its focus on other trade negotiations, such as the tripartite or continental free trade agreements (FTAs), but rather that all economic relations should be analysed and appreciated for their potential. Figure 3 highlights the share of the global import market of select South African partners.

FIGURE 3 SHARE OF GLOBAL IMPORT MARKET, SELECT MARKETS



Source: ITC TradeMap, <http://www.trademap.org/>, accessed 7 July 2016. The Tripartite Free Trade Agreement (TFTA) includes 26 member countries currently negotiating this agreement

WHERE TO FROM HERE?

While the US has become an increasingly important economic partner for South Africa, the same cannot be said for South Africa's value to the US. South Africa only ranked as the US' 36th biggest import partner in 2015.³ Nevertheless, the US has always been aware of the geopolitical importance of South Africa, as the most sophisticated economy and one of the biggest military powers on the continent. This is perhaps best illustrated by South Africa's hosting the past three incumbent US presidents on official visits. Economic ties could be strengthened by maximising AGOA-driven economic co-operation until this programme expires, and mitigating the risks that might harm relations between South Africa and the US.

The US has always been aware of the geopolitical importance of South Africa, as the most sophisticated economy and one of the biggest military powers on the continent

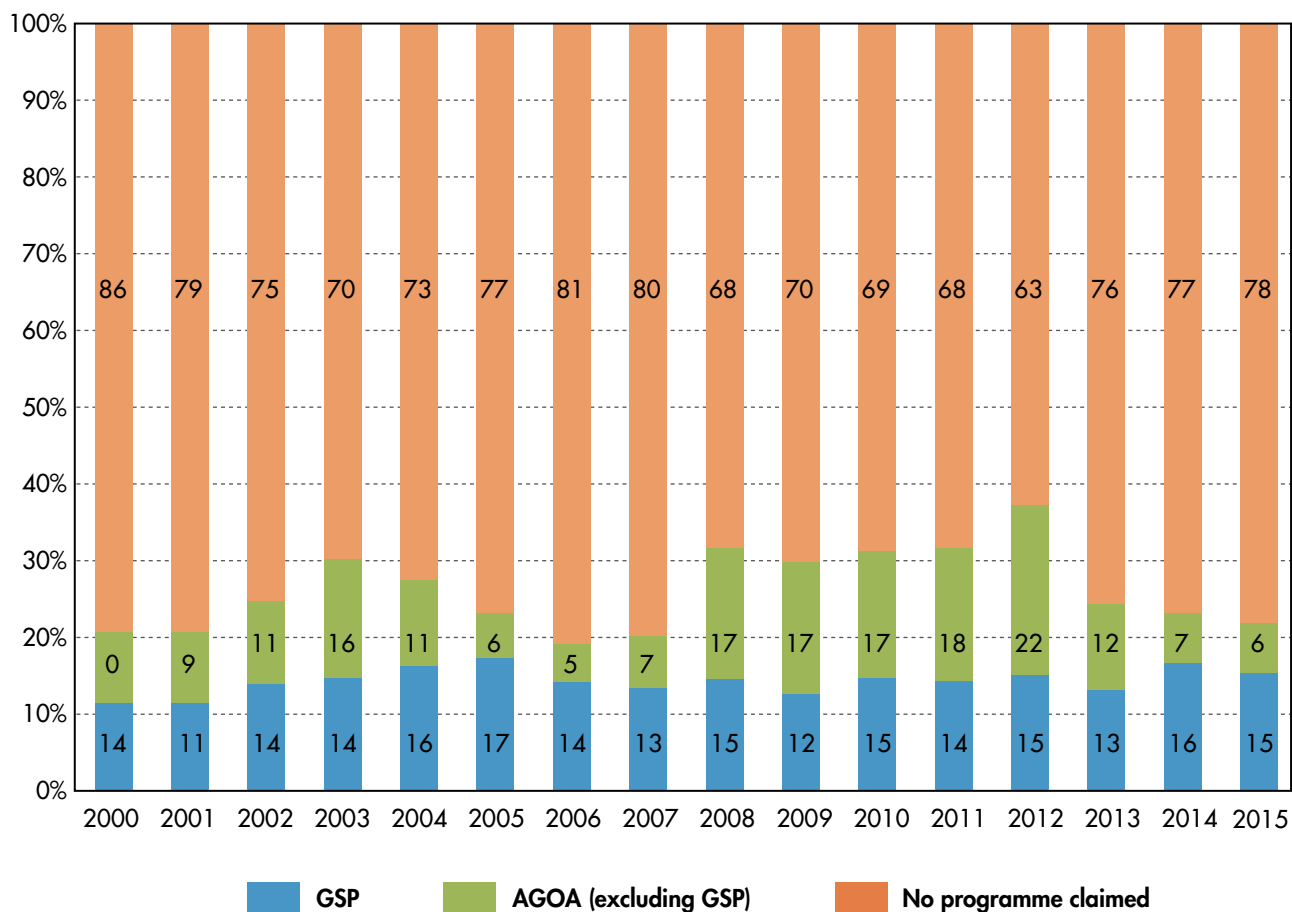
UTILISATION

In 2015 South Africa's exports under AGOA and the provisions of the Generalized System of Preferences (the GSP, a preferential tariff regime extended by developed countries to developing countries) amounted to more than \$1.5 billion, with all exports to the US totalling \$7.4 billion for the same period.⁴ Therefore, AGOA and the GSP's provisions made up around 20% of South Africa's total exports to the US, accounting for 6% and 15% of total trade in 2015 respectively. This has remained largely unchanged since AGOA benefits commenced in 2001, albeit with fluctuations throughout this period. A peak was reached during 2012, when more than 35% of South African products that entered the US market benefitted from either AGOA or the GSP. A reduction over the subsequent three years was largely due to automotive products (HS87) no longer entering the US market under either of these benefit programmes.⁵

An analysis of the utilisation rates of AGOA (number of duty-free lines exploited) indicates that utilisation remains low. In 2015 South Africa utilised 110 (6%) of the 1 835 lines provided duty-free under AGOA and 459 of the 3 400 provided under the GSP (13.5%), which combined account for less than 20% of duty-free tariff preferences.⁶ Attracting additional investment to exploit AGOA-specific preferences is nearly impossible considering that return on significant capital investment is between seven to ten years – coinciding with AGOA's expiration. Instead, existing production and export capacity must be assessed to identify unexploited opportunities.

Consultations have indicated that businesses know little about AGOA benefits. This is particularly the case for small and medium enterprises (SMEs), which often lack the research capacity of large firms that would allow them to exploit such initiatives. Encouragingly, South Africa's Department of Trade and Industry is currently looking to undertake roadshows to promote awareness of AGOA. In addition, the South African government could also look into providing a simple web platform to exporters (such as the one provided by the US Trade Representative, or USTR)⁷ as a quick and easy method to identify whether exporters qualify for preferences under AGOA (this could even be extended to other preferential trade agreements).

FIGURE 4 SOUTH AFRICAN EXPORTS TO THE US UNDER RESPECTIVE PROGRAMMES AS A % OF TOTAL



Note: The provisions for civil aircraft, dyes and pharmaceuticals were negligible and have been excluded here.

Source: US International Trade Commission, Interactive Tariff and Trade DataWeb, <https://dataweb.usitc.gov/>, accessed 7 July 2016

Additional capacity building to assist exporters in complying with US trade standards, rules and regulations would also promote exports.⁸ The majority of South African firms continue to focus mainly on EU markets (the destination for more than 20% of South Africa’s total exports in 2015),⁹ where historical trade ties and connections are stronger. However, trading regimes between the EU and US differ and require bespoke efforts. Increasing capacity to comply with the US’ trade regime (representing 14% of the global import market) would serve South Africa well in the short term and allow exporters to capitalise in the future.

DISPUTE MITIGATION AND RESOLUTION

The lack of a regulatory framework to govern trade and investment disputes under the ambit of AGOA has been a key criticism of the programme. Considering that

AGOA is a unilateral programme of benefits extended by the US, the absence of a legislated dispute resolution mechanism is understandable. Nevertheless, the manner in which AGOA has been leveraged to address the US' own trade and investment barriers, particularly in South Africa during the 'meat wars',¹⁰ has highlighted the need for clearer recourse in the case of disputes. Despite assurances from the South African government that the country's benefits under AGOA are secured until 2025,¹¹ the USTR's March 2016 report highlighted trade and investment barriers facing US business in South Africa, including:

- technical barriers to trade, for example when legislation around labelling of foodstuffs is ambiguous or considered too strenuous;
- sanitary and phytosanitary barriers – legislation aimed at protecting human, animal or plant life that is considered to be blocking US imports into South Africa. This was a key point of contention between US–South African veterinary counterparts during the meat wars. While most issues on meats have been cleared, some agricultural produce remain outstanding;
- high tariff barriers faced by US exporters, especially vis-à-vis the EU, which has a trade agreement in place with South Africa in areas such as cosmetics, plastics, textiles, trucks, machinery and agricultural produce;
- non-tariff measures employed by the South African government, typically bureaucratic measures, that hinder or prevent products from entering the South African market;
- intellectual property rights protection that is deemed to not adequately safeguard copyright protection;
- barriers to entry for foreign service providers in the South African market, especially in sectors such as telecommunications and broadcasting; and
- investment barriers faced by foreign companies, in particular black economic empowerment requirements for domestic procurement, the proposed Mineral and Petroleum Resource Development Act, the Protection of Investment Act, and the Private Security Industry Regulation Act.

South Africa's trade and investment grievances should also not be discounted. Talks are underway between South African and US counterparts to increase market access and limit market barriers for South African agricultural exports to the US.

The range of issues raised by both sides underscores the need for the full use of established bilateral dialogue channels to eliminate uncertainty and address grievances. These include already established South Africa–US forums such as the bi-national commission, the US–South Africa Strategic Dialogue, and the South Africa–US Trade and Investment Framework Agreement. As the amicable resolution of the meat wars has shown, these forums could resolve disputes. However, despite the benefits of such dispute resolution methods in avoiding lengthy and costly legal battles, South Africa has less leverage given the natural political and economic power imbalance in its relationship with the US.¹²

OPTIONS POST-AGOA

The US has stated that it is amenable to suggestions from African countries on specific trading arrangements post-AGOA.¹³ Nevertheless, the US' historical engagement with the continent has clearly been driven by a combination of

The US' historical engagement with the continent has clearly been driven by a combination of commercial diplomacy, foreign policy and economic development imperatives, which give an indication of what the post-AGOA priorities might look like

commercial diplomacy, foreign policy and economic development imperatives, which give an indication of what the post-AGOA priorities might look like. South Africa already shares a similar liberal political environment with the US and is viewed as the most sophisticated economy on the continent, speaking to the US' foreign policy and economic development objectives respectively. However, this will not continue to drive the US' engagements with South Africa. Instead, market access to one of the most lucrative markets in Africa and its being a gateway to the continent will be key drivers. The following options for South Africa post-AGOA should not lose sight of these underlying drivers. These options are descriptive rather than prescriptive, highlighting the positive and negative aspects of each, with a view to inform further research and discussions, as some issues remain outside the scope of this briefing.

SIMPLE

A 'simple' option would be to allow AGOA to expire without putting any alternative trade arrangements in place. This would relegate trade with the US to the WTO's rules. Considering that South Africa does not have a formalised trading agreement with more than 75% of its trading partners, this option is not necessarily unusual.¹⁴ While it would be the least demanding, there are two potential drawbacks.

The most obvious loss for South Africa would be its preferential market access to the US. Table 1 highlights the current preferences enjoyed by South Africa under the US' various duty-free schemes.

| Regime | Description | All products | | Agricultural goods | | Non-agricultural goods | |
|------------|--|---------------|-------------|--------------------|-------------|------------------------|-------------|
| | | Total | % | Total | % | Total | % |
| ALL | Total number of tariff lines, of which: | 1 0716 | 100% | 1 890 | 100% | 8 826 | 100% |
| MFN | Number of MFN duty-free lines | 3 872 | 36% | 391 | 21% | 3 481 | 39% |
| AGOA | Number of preferential tariff lines | 1 743 | 16% | 660 | 35% | 1 083 | 12% |
| GSP | Number of preferential tariff lines | 3 504 | 33% | 595 | 31% | 2 909 | 33% |
| Rest | Lines attracting duty | 1 597 | 15% | 244 | 13% | 1 353 | 15% |

Source: WTO, Database on Preferential Trade Arrangements, <http://ptadb.wto.org/>, accessed 7 July 2016. Tariff lines HS 01-97 based on own calculations

Together, AGOA, the GSP and most favoured nation (MFN) duty-free lines give South Africa duty-free access to the US market for 85% of its exports. If AGOA benefits are removed from the equation South Africa's duty-free access will shrink to 69%. Considering that the country's status as a beneficiary of the GSP was already a key contestation ahead of AGOA's 2015 renewal, it is likely to graduate from the GSP as well, ultimately allowing for only 36% of duty-free access to the US market. South African Trade Minister Rob Davies has suggested that more than 60 000 jobs have been created in South Africa as a result of AGOA preferences alone, especially in the automotive, metals and agriculture sectors.¹⁵ These jobs will be at risk if AGOA preferences are lost. At the same time, this would not be the most ideal arrangement for the US, as there would be little incentive for US businesses to enter the South African market (and by extension the continent) if they were not able to leverage AGOA to address their trade- and investment-related concerns.

Together, AGOA, the GSP and the MFN duty-free lines give South Africa duty-free access to the US market for 85% of its exports

Secondly, this option would not necessarily be effortless or cost effective, due to the lack of a regulatory framework. Unlike during the meat wars, where AGOA was leveraged to force a compromise between South Africa and the US, trade disputes would have to be resolved either diplomatically or ultimately through the WTO's dispute resolution mechanisms – both of which would have considerable political, human and financial implications for South Africa. And, as highlighted earlier, given the scope for power relations to influence diplomatic settlements, South Africa would be at a disadvantage.

Despite the simplicity of this option, the lack of both market access and legal dispute settlement mechanisms (ie, outside of bilateral diplomatic forums) would be costly for South Africa. In addition, considering that this option would offer little incentive (tariff benefits and policy certainty) for the private sector to upscale its engagements in the respective countries, trade and investment ties between the two partners would likely grow at a slow pace.

PARTIAL SCOPE AGREEMENT

A more moderate approach could be to negotiate a Partial Scope Agreement (PSA). According to the WTO, PSAs are reciprocal 'agreement[s] between two or more parties in which the parties offer each other concessions on a *selected number of products or sectors*' [emphasis added].¹⁶ Preferences in PSAs, much like FTAs, are not necessarily zero rated from the onset and can be phased over a period of time, depending on the needs of partner countries. PSAs could also include provisions on investment, addressing issues such as joint ventures and the facilitation of permits, licences and contracts for technical, commercial or administrative assistance between the parties. The defining difference between a PSA and an FTA is the scope of the agreements. The US and Canada had such an agreement in place. Implemented in 1965, the Canada–US Automotive Products Agreement focused specifically on the automotive sector until its eventual incorporation into the US–Canada FTA in the 1980s and the North Atlantic Free Trade Agreement in the 1990s. More recent examples include the PSA between Mauritius and Pakistan that entered into force in 2007 and the MERCOSUR¹⁷–India PSA signed in 2009.

One of the main benefits that a PSA could offer both South Africa and the US is that it allows for a truly tailored agreement on areas where both parties want to

co-operate (not only tariff barriers in specific sectors, but also behind-the-border issues such as trade facilitation and an appropriate regulatory environment). A US–South Africa PSA would be able to address issues that the parties could not engage on, within the framework of the WTO’s regulatory system. While South Africa might not regain the full market access to the US that it enjoyed under AGOA and the GSP, its access would be more strategically in line with the production realities of the country, ultimately addressing the lack of utilisation issues noted earlier. A more robust framework to address trade and investment issues could also be put in place, addressing some of the issues that the US and South Africa have identified.

Secondly, a PSA could also provide an initial platform from which agreements could be scaled up to include other sectors or areas, as the need arises. While trade preferences are limited to certain sectors, aspects of a comprehensive FTA, such as specifics on rules of origin, would need to be negotiated separately. However, a PSA would make future efforts to ‘plug-in’ additional sectors or areas easier.

There are two potential pitfalls that might limit the feasibility of a PSA. Firstly, the US’ interest in entering into a PSA might be checked by the fact that the limited scope that such an agreement would offer is likely to fall short of its ambitions. At the same time, the US might not oppose such a ‘building block’ approach if it could lead to a more comprehensive agreement. Equally, the US might question the usefulness of such an agreement given that PSAs generally suffer from poor implementation because they are only partial.¹⁸

A bigger concern regarding the PSAs’ viability, however, would be its compliance under WTO law. Derogations to MFN have been allowed under the WTO, especially when affording differential and more favourable treatment to developing countries. While PSAs are allowed under the WTO’s Enabling Clause, they are only reserved for ‘developing’ countries, which would exclude the US from such an agreement.

Despite these potential issues, a PSA could offer South Africa the opportunity to develop a tailored agreement that takes its development and policy concerns into consideration (eg, infant industries, investment environment), builds a more comprehensive relationship with a key trading partner, and deepens trade and investment ties through creating a more secure policy environment. In addition, while South Africa is not able to negotiate any preferential trade agreements without its Southern African Customs Union (SACU) counterparts, as stipulated in the 2002 SACU Agreement, a PSA would not prevent their inclusion.¹⁹ Its flexibility makes it easier to tailor the agreement to all countries involved. At the same time, it is unlikely that both parties will have similar interests and will want to include the same issues in such an arrangement. As in any negotiation, a PSA would require compromise.

NEGOTIATE AN FTA

The most comprehensive option would be to re-engage the US in an FTA. Between 2003 and 2007 SACU and the US attempted to negotiate an FTA, but efforts were eventually abandoned. While all parties were partly responsible for the breakdown in talks, one key constraint was the US’ inflexibility in negotiations, as it wanted

to include many 'new' generation trade issues such as investment, services and intellectual property rights. The diversity and lack of trade and investment policy coherence within SACU was considered a key stumbling block for the US.²⁰ However, the global and domestic political and economic environment has changed drastically in the past decade, requiring a reconsideration of this option.

The past two decades have seen an unprecedented proliferation of FTAs: between 1970 and 1990 11 FTAs were signed, compared to nearly 250 between 1990 and 2015.²¹ FTAs not only address market access issues but can also include trade in services, foreign investment, protection of intellectual property rights, anti-corruption measures, competition policy, labour and environmental standards, and government procurement, among others, depending on the priorities of parties involved.²² Again, the key difference between a PSA and FTA would be the scope of the agreements and the products, sectors or issues covered.

The benefits of FTAs are well documented: increased market access and diversification of markets, access to cheaper production inputs, increasing competition and productivity, a more favourable environment for foreign investors, and skills and technology transfers. For South Africa's relationship with the US in particular, it would likely be the most vigorous and comprehensive step towards increasing trade and investment ties. This is especially pertinent as the US' ongoing FTA negotiations with other countries and regions²³ threaten to erode South Africa's preferences.

Some of the key disadvantages include the large amount of resources and time taken to develop and negotiate such agreements, detrimental effects on domestic producers, job losses, reduced tax revenues and the limitation of policy space. For South Africa especially, issues around investment, development and public procurement could pose particular challenges. Nevertheless, the US has in the past shown flexibility towards such issues in FTAs signed with other countries: in the US–Australia FTA, for example, state-to-state dispute resolution was agreed on, rather than investor–state dispute resolution. Equally, in the US–Australia FTA provisions were included to safeguard preferential procurement in the US for small and minority businesses, while for Australia the same applied for social assistance to indigenous people.²⁴ Similar principles could be applied in South Africa with regard to historically disadvantaged individuals, as well as to exclusions under current domestic procurement policies.

While previous attempts to negotiate an FTA between South Africa and the US failed, this option should not be disregarded as it would be a vigorous way in which to promote trade and investment ties between the parties. The political and economic environment has changed over the past decade – both at a global level, with the stalling of WTO negotiations and reduced global prices and demand for commodities, among others, and domestically, with a greater focus on export-led growth and the stagnation of the South African economy. These factors call for a reconsideration of this option. In addition, the evidence presented earlier in this briefing (growing trade and investment, and the importance of US markets) highlights the continued importance of the US as a trade and investment partner for South Africa. FTAs are more flexible than often perceived, and the US has in the past with various partners indicated its willingness to be accommodating on certain issues.

Between 2003 and 2007 SACU and the US attempted to negotiate an FTA, but efforts were eventually abandoned. The global and domestic political and economic environment has changed drastically in the past decade, requiring a reconsideration of this option

CONCLUSION

Over the past two decades, the US has become an increasingly important economic partner for South Africa. In order to strengthen trade and investment ties with the US, South Africa and SACU should carefully consider how they can deepen this relationship. This calls for an agreement that builds on AGOA by strengthening relations, but that takes into account reciprocity, and differentiation and graduation considerations. Deepening this relationship should be a two-step process: working within the current arrangement provided by AGOA and existing dialogue mechanisms, and looking ahead to a post-AGOA environment.

AGOA preferences could be better utilised ahead of its expiration through pairing domestic production capacity and preferences, as well as by creating awareness around AGOA (in particular for SMEs) and facilitating capacity building to better equip South African exporters to deal with US trade regulations. It is also necessary to mitigate trade and investment disputes with the US by engaging in existing dialogue mechanisms.

The post-AGOA options outlined here offered ‘simple’, ‘moderate’ and ‘comprehensive’ approaches. There are key advantages and disadvantages to each of these approaches, and further discussion and research is needed. South Africa should consider its options carefully without neglecting the US’ interests moving forward. Ultimately, deepening economic relations between South Africa and the US would require compromise and consideration of the historical, development and economic needs of both parties.

ENDNOTES

- 1 South African Reserve Bank, *Full Quarterly Bulletin*, 280, June 2016, <http://www.resbank.co.za/Publications/Detail-Item-View/Pages/Publications.aspx?sarbweb=3b6aa07d-92ab-441f-b7bf-bb7dfb1bedb4&sarblast=21b5222e-7125-4e55-bb65-56fd3333371e&sarbitem=7336>, accessed 13 September 2016.
- 2 Gaspard PH, ‘More than 600 US companies are invested in SA’, US Embassy South Africa, http://photos.state.gov/libraries/southafrica/231771/PDFs/wanted_column.pdf, accessed 13 September 2016.
- 3 ITC TradeMap, <http://www.trademap.org/>, accessed 7 July 2016.
- 4 AGOA.info, <https://agoa.info/>, database, accessed 9 July 2016.
- 5 In 2012, \$479 million worth of HS87 products entered the US market without being under a duty-free programme; from 2013–2015 export totals for the equivalent were \$1.7 billion, \$1.2 billion and \$1.3 billion, respectively.
- 6 Odendaal N, ‘South Africa makes most use of AGOA, but still only a fraction of the tariff lines’, *Engineering News Online*, 21 June 2016, www.Agoa.info/news/article/6166-south-africa-makes-most-use-of-agoa-but-still-only-a-fraction-of-the-tariff-lines.html accessed 9 September 2016.
- 7 export.gov, ‘FTA tariff tool’, <http://export.gov/FTA/ftatarifftool/TariffSearch.aspx>, accessed 9 September 2016.
- 8 USTR (US Trade Representative), *2016 Biennial Report on the Implementation of the African Growth and Opportunity Act*, <https://ustr.gov/about-us/policy-offices/press-office/press-releases/2016/june/ustr-releases-2016-report-agoa>, accessed 13 September 2016.
- 9 ITC TradeMap, *op. cit.*

- 10 After nearly 15 years of imposing anti-dumping duties, the US threatened to partly revoke South Africa's AGOA benefits if these duties were not removed. What came to be known as the 'meat wars' were amicably resolved and full benefits resumed. For more information, see SAIIA (South African Institute of International Affairs), 'South Africa and AGOA: What Is at Stake?', 27 November 2015, <http://www.saiia.org.za/opinion-analysis/south-africa-and-agoa-what-is-at-stake>, accessed 8 September 2016.
- 11 South Africa, dti (Department of Trade and Industry), 'South Africa's access in AGOA is guaranteed until 2025', Media statement, 23 June 2016, <https://www.thedti.gov.za/editmedia.jsp?id=3774>, accessed 13 September 2016.
- 12 For example, while both South African and US authorities agreed to SPS measures that would facilitate the import of US chicken into South Africa, this issue is now contested in the High Court of South Africa by the South African Poultry Association (SAPA). SAPA believes that South Africa succumbed to pressure from the US to lower SPS measures and that the agreement reached should be declared unconstitutional.
- 13 Froman M, 'Remarks by Ambassador Michael Froman at the Beyond AGOA hearing', USTR, 28 January 2016, <https://ustr.gov/about-us/policy-offices/press-office/speechestranscripts/2016/January/Remarks-Ambassador-Froman-Beyond-AGOA-Hearing#>, accessed 13 September 2016.
- 14 South Africa, dti, 'Trade agreements', https://www.thedti.gov.za/trade_investment/ited_trade_agreement.jsp, accessed 13 September 2016.
- 15 South African Government, 'Minister Rob Davies: Update on AGOA negotiations', 7 January 2016, <http://www.gov.za/speeches/minister-rob-davies-update-agoa-negotiations-7-jan-2016-0000>, accessed 13 September 2016.
- 16 WTO (World Trade Organization), 'World Trade Report 2011', https://www.wto.org/english/res_e/booksp_e/anrep_e/world_trade_report11_e.pdf, accessed 13 September 2016.
- 17 The Southern Common Market, consisting of Argentina, Brazil, Paraguay, Uruguay and Venezuela.
- 18 Jovanović MN (ed.), *International Handbook on the Economics of Integration*. Geneva: Edward Elgar Publishing, 2011.
- 19 Botswana, Lesotho, Namibia and Swaziland.
- 20 Draper P & N Khumalo (eds.), *One Size Doesn't Fit All: Deal-breaker Issues in the Failed US-SACU Free Trade Negotiations*. Johannesburg: SAIIA, 2007.
- 21 WTO, 'World Trade Report 2015', https://www.wto.org/english/res_e/booksp_e/world_trade_report15_e.pdf, accessed 13 September 2016.
- 22 Draper P & N Khumalo (eds.), *op. cit.*
- 23 Such as the Transatlantic Trade and Investment Partnership and the Trans-Pacific Partnership, which combined involve the US and 39 other partners.
- 24 Draper P & N Khumalo (eds.), *op. cit.*

ACKNOWLEDGMENT

The authors gratefully acknowledge the contributions and comments from numerous colleagues and experts, from both the public and the private sectors, who reviewed earlier drafts of this briefing.

The Economic Diplomacy Programme (EDIP) is funded by SIDA.

© SAIIA
SEPTEMBER 2016
(South African Institute of International Affairs)

All rights reserved.
Opinions expressed are the responsibility of the individual authors and not of SAIIA.

Jan Smuts House,
East Campus,
University of the
Witwatersrand

PO Box 31596,
Braamfontein 2017,
Johannesburg,
South Africa

Tel +27 (0)11 339-2021
Fax +27 (0)11 339-2154
www.saiia.org.za
info@saiia.org.za



Jan Smuts House, East Campus, University of the Witwatersrand
PO Box 31596, Braamfontein 2017, Johannesburg, South Africa
Tel +27 (0)11 339-2021 • Fax +27 (0)11 339-2154
www.saiia.org.za • info@saiia.org.za