

As US Congress will consider access for South African exports

'South African government should clarify its stance on Russia'

Experts have stated that the South African government is running out of time to clarify its stance on Russia, as tens of thousands of jobs hang in the balance. Next week, the US Congress will start to review the eligibility of countries for benefits under the African Growth and Opportunity Act. This legislation provides duty-free access for certain African countries, including South Africa, to the giant US market.

The legislation has been key to building South African exports, ranging from vehicles to citrus fruit. Billions of rands of economic activity and tens of thousands of jobs in South Africa depend on those exports.

The US legislation is widely expected to be renewed again for another 10 years when it expires in 2025, but the key question is whether Congress will use the renewal to redraft it such that South Africa is no longer eligible. The eligibility debate is one matter and the renewal debate is another but in both, South Africa stands to lose. The reason for this is South Africa's ambiguous stance on Russia, that has upset many in Washington.

Source: moneyweb.co.za

Publication date: Tue 4 Jul 2023