

An aerial photograph of Cape Town, South Africa, featuring the iconic Table Mountain in the background. The city's buildings and the stadium are visible in the foreground. The image is overlaid with a semi-transparent blue filter. On the right side of the image, there are two large, white, rounded rectangular shapes that partially overlap the blue area.

WESGRO AGOA key insights for SCFEOT

Wesgro is the Official Tourism, Trade & Investment Promotion Agency for Cape Town and the Western Cape

First point of contact for foreign investors and local companies. Attracts and facilitates national and international investment, works to grow the exports of products and services, and markets the Western Cape as a competitive business and travel destination.

WESGRO

Investment Attraction & Facilitation
(incl Invest SA One Stop Shop)

Trade Promotion & Facilitation
(incl Film & Media)

Tourism Promotion & Facilitation
(incl Convention Bureau)

Marketing and Innovation
Central Knowledge Hub

Edu Access

Cape Town Air Access

Cruise Cape Town

African Growth & Opportunity Act

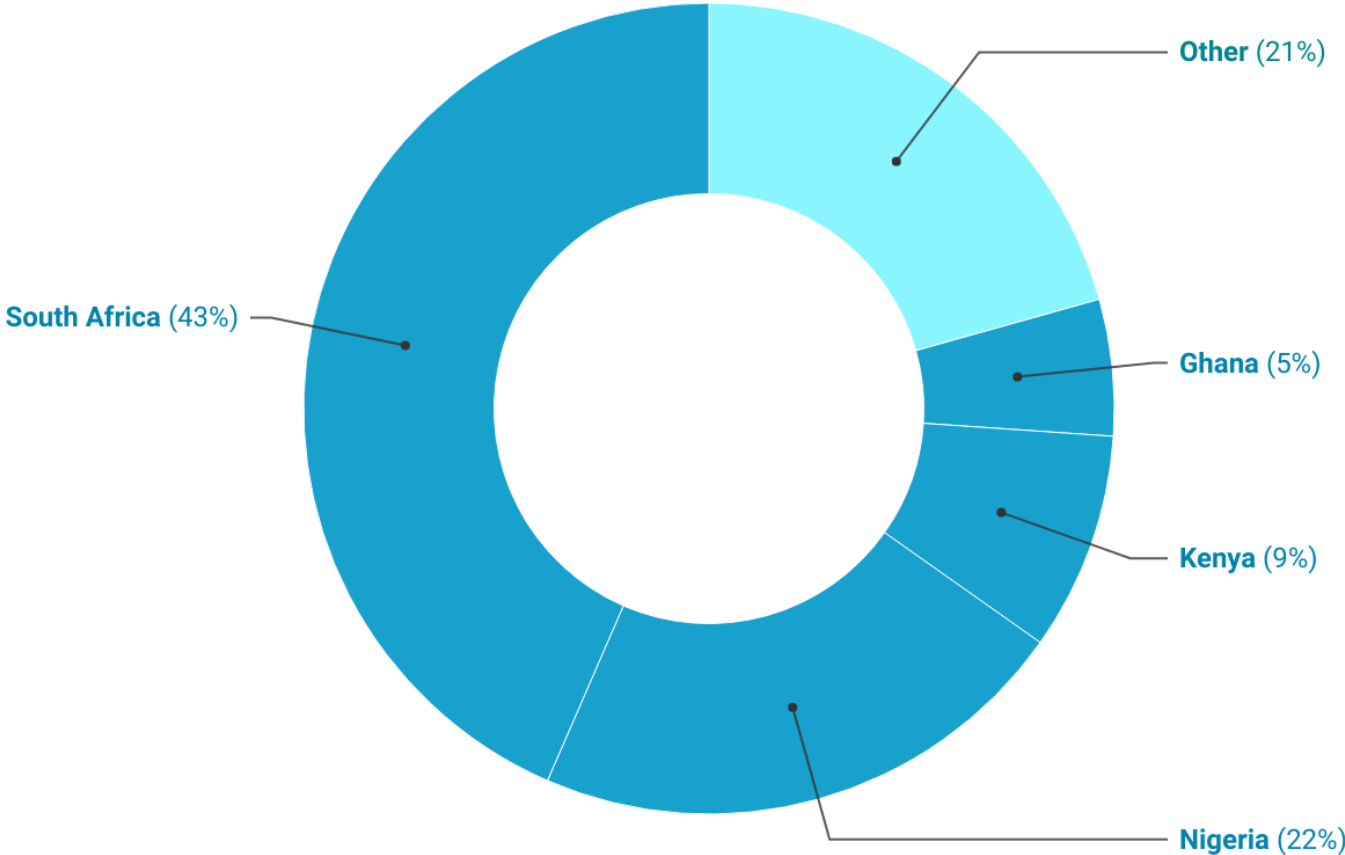
- U.S. unilateral trade preference program available to 49 countries in the sub-Saharan African region, of which 36 were beneficiaries in 2022
- Grants duty-free access on certain products exported by qualifying sub-Saharan Africa countries to the United States
- Expires 30 September 2025, as provided for in the AGOA Extension and Enhancement Act of 2015
- Builds on Generalized System of Preferences (GSP) – countries need to be eligible for GSP in order to qualify for AGOA
- GSP: unilateral trade preference program providing duty-free treatment for certain products to beneficiary developing countries from any region
- About 38% of tariff lines for imports to the US are duty free in general - all together, about 97 percent of tariff lines duty free if AGOA (including GSP), and if beneficiaries have full textile and apparel benefits (SA does not qualify for the 3rd country fabric provision)
- At least 35 percent of a product's value must be grown, produced, or manufactured in AGOA-eligible country* (different rules for textiles)
- AGOA establishes requirements for a country to be eligible for AGOA benefits. Requirements cover five primary areas: economic (status of the AGOA country's market economy, economic reform, and elimination of barriers to U.S. trade); political (rule of law, political pluralism, and anti-corruption); poverty reduction; labour and human rights; and terrorism and security
- AGOA requires the President to monitor and determine annually whether a country meets the AGOA eligibility requirements
- Less than 1% of total U.S. imports by value (about \$6.8 billion in 2021) enter under AGOA
- Crude petroleum dominates trade under AGOA. Textile and apparel largest value-added sector in 2021.

Source: United States International Trade Commission, 2023

Trade

South Africa was the leading exporter of AGOA (incl GSP) products into the United States, reaching an export value of USD2.7bn and accounting for 43% of AGOA (incl GSP) exports in 2021.

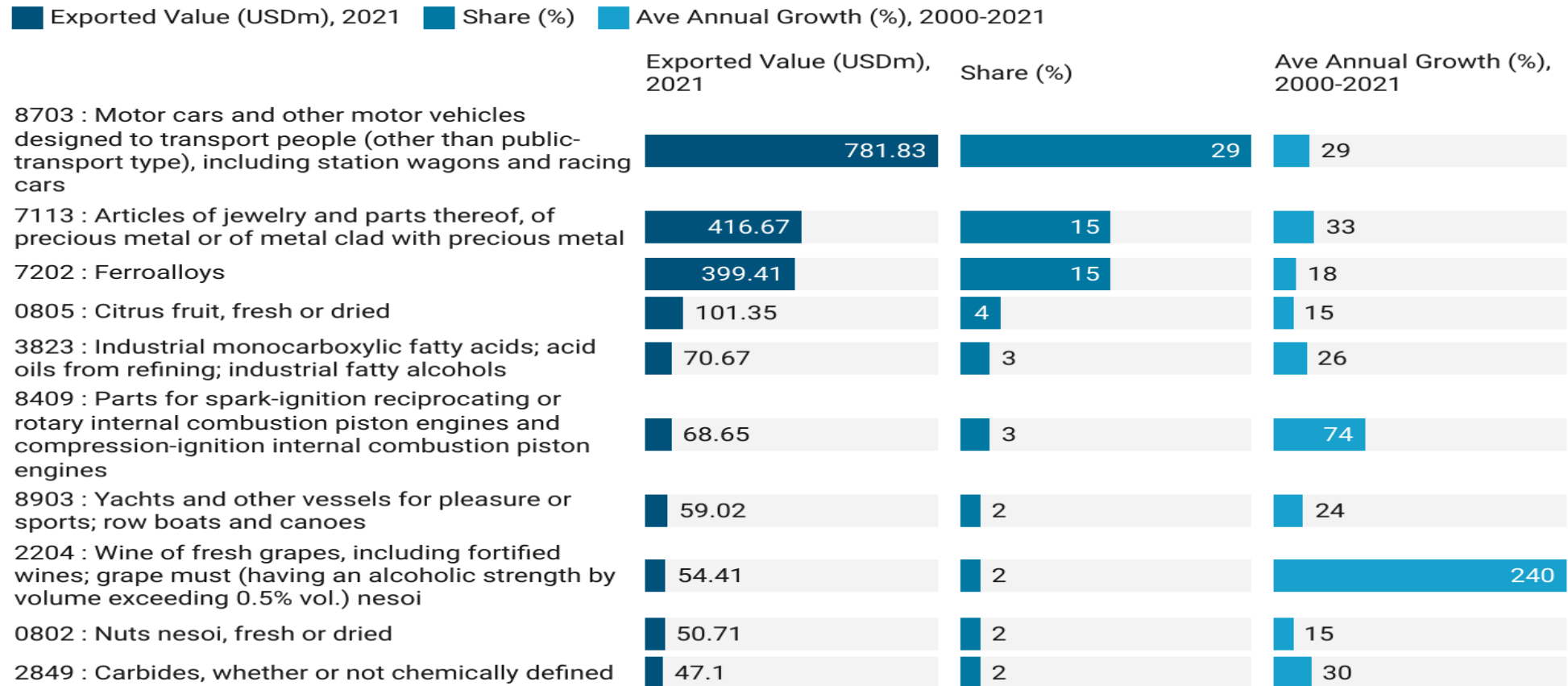
Figure 1: Leading AGOA Exporters, 2021



South Africa's Top Exports to the USA under AGOA

Motor cars SA's leading export under AGOA, reaching a total export value of USD781.83m in 2021, while growing at an average annual rate of 29% since the inception of the programme in 2000.

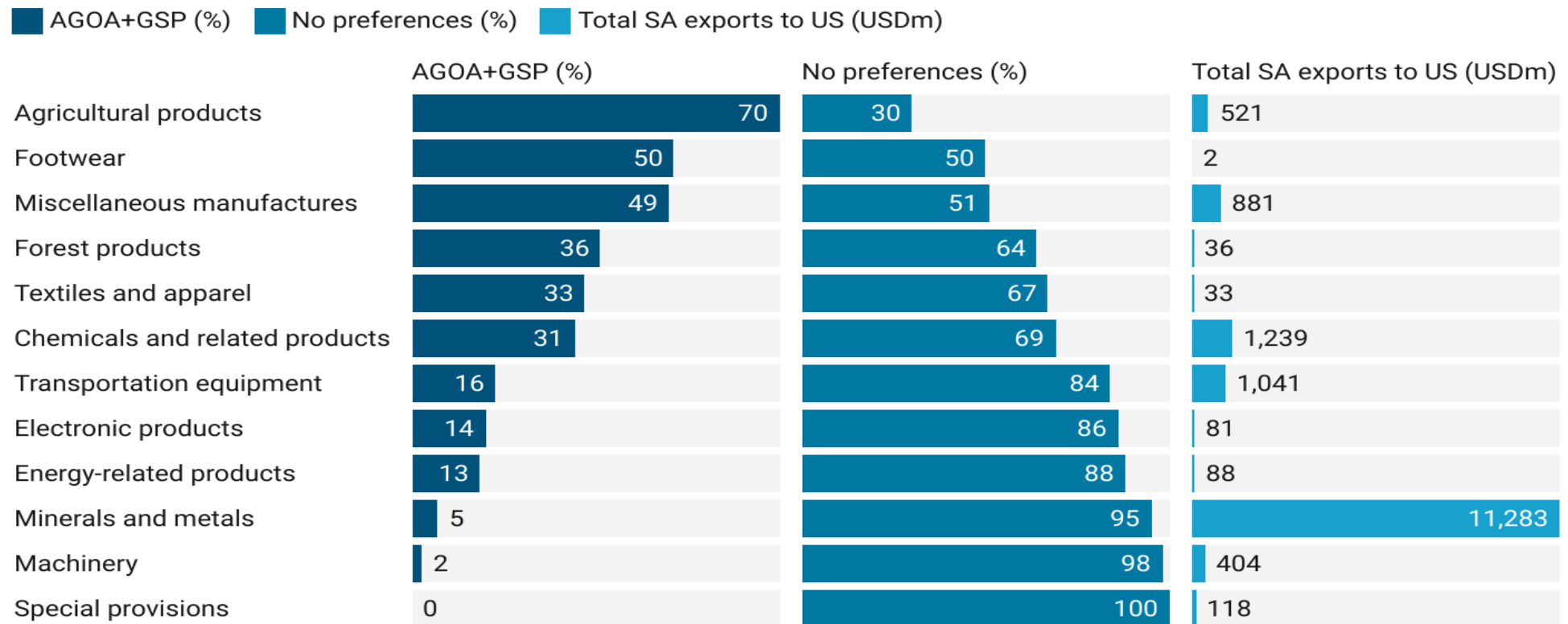
Figure 5: SA top 10 exports under AGOA (incl GSP), 2021



South Africa's Sector Product Exports to the US under AGOA

Although SA's exports to the US which traded under AGOA were relatively low in 2021 (16%), its importance at a sector level is shown below. Evidently, 70% of SA agricultural products to the US relied on AGOA, while 50% of footwear; 49% of miscellaneous manufactures and 36% of forest product exports benefited from the programme.

Figure 4: Composition of SA exports to the US by Programme, 2021

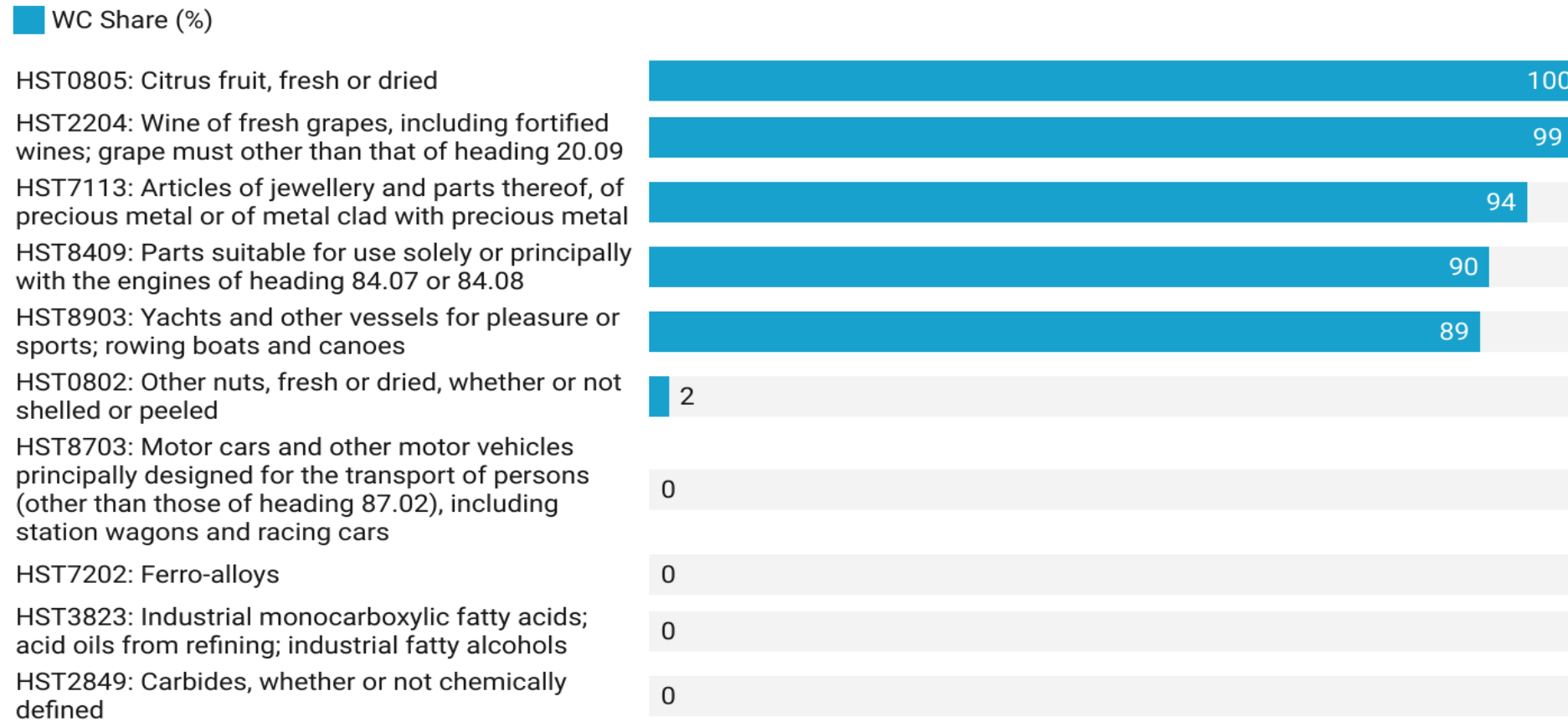


Source: USITC Dataweb, 2022

Western Cape's share of SA Top 10 Exports to the USA under AGOA

Of the top 10 AGOA exports from SA to the US, five were exported from the WC with a share greater than 89% in 2021. This means that the WC province contributes and benefits significantly from AGOA/GSP preferences in 2021.

Figure 6: WC Share of SA top 10 exports under AGOA (incl GSP), 2021



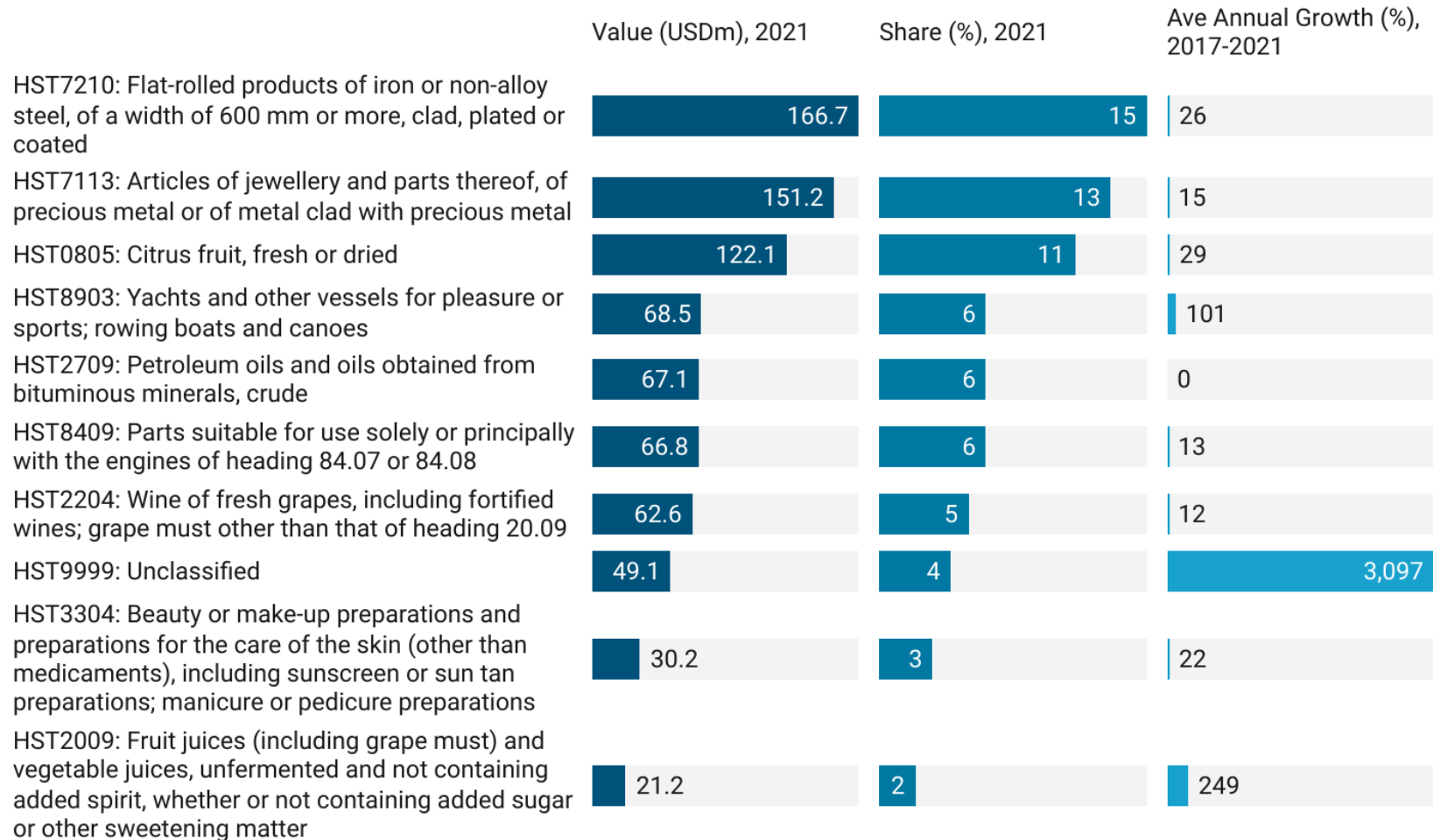
Top 10 Western Cape Exports to the US, 2021

	Exports (ZARm), 2021	% Share, (2021)	Ave Annual Growth % (2017-2021)
Flat-rolled products of iron or non-alloy steel, of a width of 600 mm or more, clad, plated or coated	2,466.75	14.54	26.47
Articles of jewellery and parts thereof	2,237.6	13.19	14.94
Citrus fruit, fresh or dried	1,806.45	10.65	28.88
Yachts and other vessels for pleasure or sports; rowing boats and canoes	1,013.61	5.98	100.95
Crude oil	992.75	5.85	
Parts of nuclear reactors, boilers, machinery and mechanical appliances	988.64	5.83	12.92
Wine	926.26	5.46	12.36
Beauty or make-up preparations and preparations for the care of the skin	446.35	2.63	21.96
Fruit juices and vegetable juices	313.82	1.85	248.88
Measuring or checking instruments, appliances and machines	299.74	1.77	59.53
Total exports	16,962.89	100	15.35

Western Cape's Top Exports to the USA under AGOA

Figure 8: WC top export products (HS4) to the US, 2021

■ Value (USDm), 2021 ■ Share (%), 2021 ■ Ave Annual Growth (%), 2017-2021



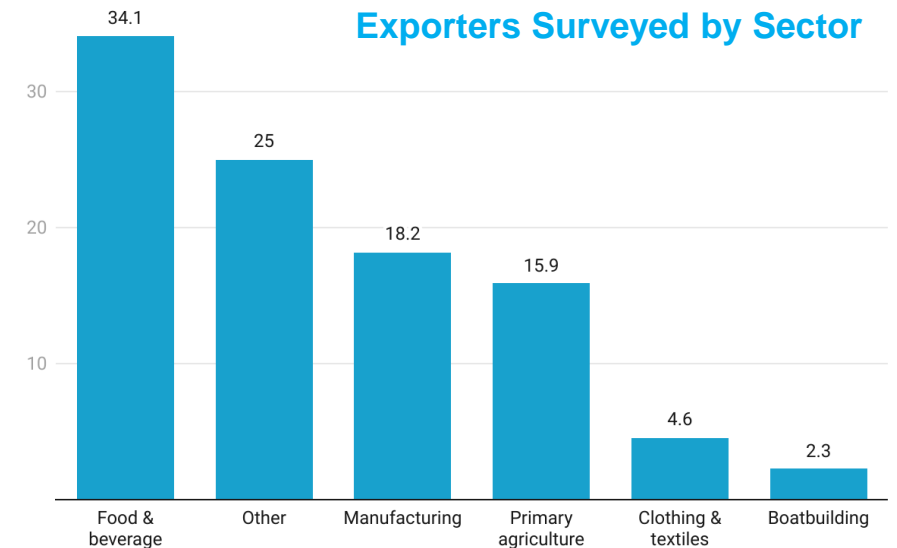
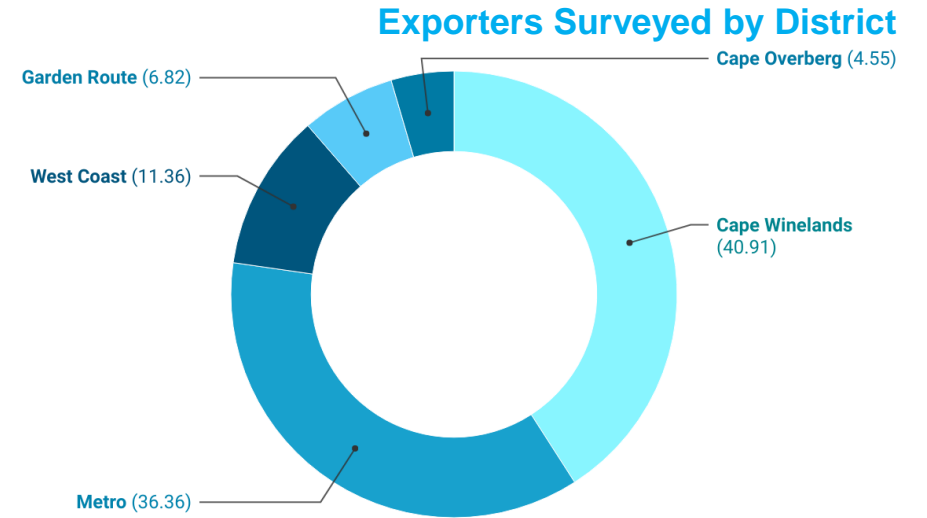
Of the top 10 WC exports to the US in 2021, flat-rolled products of iron/steel dominated the list, reaching an export value of USD166.7m and growing at an average annual rate of 26% over the last five years, from 2017 to 2021.

Moreover, 50% of the WC's top 10 products at an HS4 level are AGOA eligible. When analyzing it from a HS6 level, 6 out of the top 10 are able to enter the US under AGOA preference.

AGOA Exports Insights Surveys Large effect on small businesses

44 exporters participated in the recent survey with key findings including:

- 81.82% of exporters surveyed viewed the USA as a priority market for the sustainable growth of their business
- 60.87% of US export respondents indicated that they utilise AGOA
- 82.4% of US export respondents indicated that 80-100% of their exports to the US benefitted from AGOA
- 68.75% of US export respondents (micro, small, medium and large sized business) indicated that AGOA had a significant impact on the growth of their business
- Small businesses (11-50 employees) – almost half indicated that AGOA had significant impact on growth of their business



Thank you

