

# Zuma asks USA not to alienate South Africa

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President Jacob Zuma asked for the support of American business to ensure that South Africa does not get excluded from African Growth Opportunities Act (AGOA), the preferential trade programme that was enacted in 2000 to boost and diversify African trade with the US.



President Jacob Zuma told members of the American Chamber of Commerce that it would be wrong to exclude South Africa from AGOA. Image: GCIS

He said for Africa to continue to prosper, South Africa had to demonstrate strong growth.

Zuma's speech to the American Chamber of Commerce in Washington comes as US lawmakers prepare to vote on the extension of the AGOA whose current term comes to an end next year.

There has been intense lobbying by some in the US to remove South Africa from the list of countries that benefit from the AGOA if the legislation is extended next year.

US Trade Representative Michael Froman hosted an AGOA forum on Monday (5 August) at the World Bank to discuss the scheme and to outline the purpose of the US-Africa Leaders' Summit, which will be held on Wednesday (7 August) is expected to address AGOA's extension.

Zuma in a speech made to a top American business people said it would be a mistake to exclude South Africa from the programme.

## AGOA transformed Africa's economic landscape

"AGOA has transformed the economic landscape for many African countries including South Africa. It is the cornerstone of trade relations between the US and sub-Saharan Africa," Zuma told the US-South Africa Business Investment Forum organised by the US Chamber of Commerce.

He said the programme had greatly enhanced trade between the US and South Africa. Almost 95% of South African exports receive preferential treatment under AGOA.

"We advocate the renewal of AGOA for another 15 years, with the inclusion of South Africa. We strongly believe that by endorsing the extension of AGOA, the US will be promoting African integration, industrialisation and infrastructure development," said Zuma.

He said excluding South Africa from AGOA would be wrong as South Africa is integrally linked to the rest of Africa.

"That is why we put great emphasis in developing not only our country's infrastructure, but that of the African continent too," he claimed.

## Extensive transformation

US Chamber of Commerce President Thomas Donohue said South Africa had undergone huge transformation over the



US Chamber of Commerce President Thomas Donohue said South Africa had undergone enormous transformation in the past 20 years but needed to develop its infrastructure alongside the rest of Africa. Image: [Mediazilla](#)

past 20 years and that the US was keen to continue to invest in Africa's biggest economy.



Jabu Mabuza, BUSA President said much needed to be done to improve relationships between employers and employees. Image: [Focus Group](#)

Last year, US exports to South Africa totalled about \$7.3bn, while South African exports to the US were around \$8.5bn.

"Infrastructure investment is on the rise, manufacturing is growing, tourism is booming. South Africa remains our commercial and strategic partner," Donohue said.

This was echoed by Business Unity South Africa President Jabu Mabuza, who suggested that despite the recent labour unrest and strikes in the mining sector, private businesses in South Africa still considered the country's economy as stable.

South Africa this year saw one of its longest strikes in history when platinum workers downed tools for five months, demanding a R12,500 minimum wage.

Mabuza said South Africa remains an ideal place to do business in Africa, but that there was a need to fix some relationships between employers and employees.

"Business needs to rethink the way it relates to employees. We need to rebuild trust and engage with our employees directly and make them understand the costs we face and the choices that have to be made," said Mabuza.

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