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## South Africa Seeks US Response as Trade Deal Deadline Approaches

July 30, 2025

— Categories: Economics



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South Africa is awaiting a formal response from the United States regarding a proposed bilateral trade agreement as an August 1 deadline approaches. Without a deal in place, South African exports may be subject to a 30% tariff, a move that could significantly impact key industries and jobs across the country.

South African Trade Minister Parks Tau confirmed Tuesday that negotiations with the United States remain ongoing, though no final decision has been reached. “We remain committed to the cause as we await substantive feedback from our US counterparts on the final status of our framework deal,” said Tau. He emphasized that South Africa is one of many nations in trade discussions with Washington as the administration seeks to wrap up negotiations with nearly 185 countries before the set deadline.

President Donald Trump previously walked back from implementing broad tariffs on US imports earlier this year, but has since renewed his warning. Without completed bilateral agreements, the administration is prepared to move forward with steep import duties. The United States is South Africa’s second-largest trading partner after China, underscoring the importance of a favorable outcome for both economies.

The potential 30% tariff could place more than 100,000 South African jobs at risk, particularly in the automobile and agricultural sectors, according to South African Reserve Bank Governor Lesetja Kganyago. The governor’s remarks underscore the economic consequences of a failed agreement, especially for a country already burdened by high unemployment and stagnant economic growth.

One of the key challenges in negotiations is the United States’ concern over South Africa’s Black Economic Empowerment (BEE) policy. Instituted after the end of apartheid in 1994, BEE aims to redress racial inequality by promoting Black participation in the economy. Zane Dangor, director-general of South Africa’s Department of International Relations and Cooperation, stated during a panel discussion that BEE remains a sticking point in the talks. “What is bedeviling the issue is some of the demands that are being made,” said Dangor. “They were quite clear that there are certain things they expect from South Africa, and Black economic empowerment was high on the agenda.”

Trade discussions began in May after a tense meeting between South African President Cyril Ramaphosa and President Trump at the White House. During that meeting, President Trump repeated debunked claims that White farmers in South Africa were being targeted in a so-called land seizure campaign. South African officials maintain that no property has been confiscated since the end of apartheid.

Last week, Minister Tau reported that South Africa had signed a condition precedent document with a US trade representative and was waiting for a formal template to provide further input.

As part of its offer, South Africa proposed importing up to 100 petajoules of liquefied natural gas (LNG) over ten years from the United States. This deal would potentially generate \$12 billion in revenue for American energy companies. In addition, South Africa pledged \$3.3 billion in investment toward US sectors such as mining and metals recycling. In exchange, the nation requested exemptions from tariffs for specific industries, including shipbuilding and counter-seasonal agricultural exports.

The United States has already finalized strategic trade agreements with the European Union, Vietnam, and Japan. With time running short, it remains to be seen whether a deal with South Africa can be reached before the impending deadline.