

The Office of the United States Trade Representative (USTR)
Washington DC
United States of America

Online submission: https://www.regulations.gov

17 January 2020

Dear Sir / Madam

## Re: Docket number USTR-2019-0020, South Africa Country Practice Review

Sasol is a global integrated chemicals and energy company, with headquarters in South Africa (SA). Sasol has exploration, development, marketing and sales operations in 31 countries around the world. Sasol has strategic investments in the United States (US) and is also listed on the New York Stock Exchange.

Sasol is in the final stages of commissioning its nearly US\$13 billion chemicals investment near Lake Charles, Louisiana. Our Lake Charles Chemicals Project will triple our chemical production capacity in the US and will anchor our operations there for decades to come. To date, the project has generated more than 800 full-time quality manufacturing jobs, with up to 6,500 people on site during construction, US\$4 billion to Louisiana businesses and nearly US\$200 million in local and state taxes.

The US is an important destination for Sasol, both as an operating hub as well as a trading destination through our businesses in other jurisdictions such as SA. Sasol's South African Chemicals business is a direct beneficiary of the preferential terms of the Generalised System of Preferences (GSP) and Africa Growth Opportunity Act (AGOA) as it exports products manufactured in SA to the US. The value of this trade is several hundred million US dollars per annum. Should SA no longer benefit from the duty-free preferences on these products, it will render the trade un-competitive for our South African business sales; more so, if other countries can sell the same products while still benefiting from AGOA, or the broader GSP and /or other preferential trading terms.

The US is also a very important trading partner for SA. The US constitutes amongst the top 5 most important export destinations for SA and is amongst the top 5 import trading partners for SA. Data from US Embassy sources indicates that US imports from SA under GSP and AGOA equaled a combined total of US\$2.379 billion in 2018, that is the equivalent of R34.8 billion.

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Trading under these tariff preferences account for approximately 27% of the total of SA exports to the US.

Sasol is a strategic partner with the Department of Trade, Industry and Competition (DTIC), both in South Africa and in the United States (US). The DTIC is the same department for which the Bill of concern, namely the Copyright Amendment Bill, falls under. The law-making process of SA renders the Bill a policy that is still under development, that is, it is not enacted into law. Hence the petition and a subsequent GSP review is premature.

Sasol therefore strongly supports the continuation of the GSP and AGOA trade preferences to SA as the bilateral trade between the two countries, and for the Sasol business are vital to economic growth for the country and business sustainability respectively.

Yours sincerely,

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