



THE SOUTH AFRICAN CHAMBER OF COMMERCE IN THE USA



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The Honorable William Shpiece,
Chair of the Trade Policy Staff Committee,
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South African Chamber of Commerce in the USA - Motivation for South Africa's Continued Participation in AGOA with specific focus on the Western Cape Province Economy.

I am writing on behalf of the South African Chamber of Commerce in the United States of America (SACCUSA) to strongly advocate for South Africa's continued participation in the African Growth and Opportunity Act (AGOA) with the specific focus on the economic benefit of the Western Cape Province. We firmly believe that AGOA presents significant benefits for the province, particularly in addressing crucial issues related to socio-economic development, job creation, poverty reduction, youth skills development, and expanding trade opportunities for the Western Cape's goods.

SACCUSA is a non-profit organization dedicated to fostering and enhancing business ties between South Africa and the United States. We have witnessed firsthand the positive impact that AGOA has had on our nation's economy since its inception. The preferential access to the U.S. market under AGOA has stimulated trade and investment, creating opportunities for economic growth and development.

Western Cape Province, with its vibrant economy and diverse industries, stands to gain significantly from South Africa's AGOA trade preferences. Allow me to highlight the specific benefits for the province:

1. Economic Growth and Diversification:

AGOA has been instrumental in fostering economic growth and diversification in Western Cape Province. The preferential access to the U.S. market has enabled businesses in the province to expand their export activities, particularly in sectors such as agriculture, wines, seafood, textiles, and more. This expansion has contributed to the province's overall economic development, attracting foreign direct investment and promoting industrial diversification.

2. Job Creation and Poverty Reduction:

AGOA's trade preferences have played a pivotal role in job creation and poverty reduction in Western Cape Province. By providing duty-free access to the U.S. market, AGOA has stimulated export-oriented industries, leading to increased production and employment opportunities. The province's renowned wine and agricultural sectors, for example, have witnessed growth and generated jobs for local communities. These employment opportunities have provided income stability and contributed to poverty alleviation, particularly in rural areas where many of these industries are located.

3. Youth Skills Development and Empowerment:

AGOA's preferential access to the U.S. market has not only created job opportunities but has also promoted youth skills development and empowerment in Western Cape Province. The demand for skilled labor in AGOA-eligible sectors has incentivized the development of vocational training programs and the acquisition of relevant skills by young individuals. The province has seen a rise in programs focusing on viticulture, agriculture, and other industries, enabling the youth to participate actively in the global economy and enhancing their long-term socio-economic prospects.

4. Trade and Investment Facilitation:

AGOA provides a platform for Western Cape Province to engage in mutually beneficial trade with the United States. The annual AGOA forum and related events offer opportunities to showcase the province's capabilities, highlight investment prospects, and forge stronger partnerships with American businesses. This engagement not only facilitates increased trade but also promotes knowledge sharing, technology transfer, and best practices, all of which are vital for the continued economic development of Western Cape Province.

5. Enhanced Market Access and Export Diversification:

Under AGOA, South Africa is eligible to export more than 7,000 goods to the U.S. duty-free. Western Cape Province, known for its exceptional agricultural products, including wines, fruits, and seafood, can benefit immensely from this preferential access. Industries such as aviation, technology and automotive will be beneficiaries of AGOA. AGOA enables the province to diversify its export destinations, reducing dependence on traditional markets and expanding into new ones. This enhanced market access fosters economic resilience, reduces vulnerability to external shocks, and promotes sustainable long-term growth for the province's businesses.



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In conclusion, the South African Chamber of Commerce in the United States of America strongly urges the government to continue Western Cape Province's participation in AGOA. The aforementioned benefits, along with the compelling economic data and statistics, demonstrate the significant socio-economic impact AGOA has had on the province. By actively engaging in AGOA, we can ensure sustained growth, attract investment, and create a better future for the residents of Western Cape Province.

We stand ready to support the government in any efforts to maximize the benefits of AGOA for Western Cape Province. Together, we can build a stronger, more prosperous province that provides opportunities for all its residents.

Thank you for considering our perspective and for your commitment to advancing South Africa and the Western Cape Province's socio-economic development.

Yours sincerely,

Neil Diamond

President

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