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SA land-reform tensions mount as UK overtakes US in Western Cape export rankings

Escalating public exchanges between International Relations and Cooperation Minister Ronald Lamola and US Ambassador Brent Bozell III over South Africa's land-reform policies are deepening uncertainty for exporters, Exporters Western Cape (EWC) chairman, Terry Gale cautioned.



By Katja Hamilton 15 Oct 2026

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Source: Pexels.

"This standoff carries an economic cost. While the diplomatic confrontation continues, exporters face uncertainty over a market they have spent years developing," Gale said on Tuesday, 6 October 2026.

The diplomatic tensions come amid an already challenging trading environment. According to Wesgro's *Western Cape Goods Trade Trends 2025 – Top 10 Export Destinations and Import Sources* report, the US has slipped from the Western

Cape's second-largest export market in 2024 to third place in 2025, overtaken by the United Kingdom.

This comes as Western Cape exports to the US fell by 16% in 2025 to R15.39bn. Published by Wesgro, the report draws on data from Quantec, a South African economic research consultancy, and covers the period from 2021 to 2025.

EWC called for urgent intervention at the highest level to halt the deterioration in relations between South Africa and the United States, warning that exporters cannot afford further damage to a major trading relationship.

"Government must give this relationship the urgent attention it deserves. Businesses need a clear path forward," Gale said. "The livelihoods that depend on this cannot be an afterthought."

Jobs at risk

Gale stressed jobs are already at risk with manufacturers who cannot find alternative customers, with the result that they're either having to reduce production or close export operations altogether. He noted some factories, including facilities in Atlantis that employed between 700 and 1,000 people, have already closed their export operations.

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"Advocating for the protection of these job-creating industries was high on our agenda," said the Western Cape Premier Alan Winde on his return from an official visit to the USA in late September where he held high-level engagements with key government and private-sector stakeholders in Washington D.C. and New York City.

Winde was joined by a delegation from the Western Cape Government and representation from Wesgro - the official tourism, trade and investment promotion agency for the province.

"Growing the economy to create more jobs is the Western Cape Government's top priority and making every effort to ensure mutually beneficial economic and trade ties remain open and growing are vital to this work," the Premier said.

"The Western Cape accounts for over 50% of South Africa's total agriculture and agri-processing goods to the United States in 2025 and the province also holds a significant national share in exports of products such as seafood, yachts and vessels, jewellery, beauty products and vehicle-engine components to the USA.

"Citrus fruit remains our largest export product to the US, valued at R1.96bn in 2025. Positively, fresh oranges have remained exempt from additional US import tariffs, and we have witnessed the positive impact this has made to the economy of our West Coast region over the past year.

"We are supportive of national government efforts to continue negotiating tariff exemptions for more industries and sectors, as well as for our continued participation in the [African Growth and Opportunity Act] Agoa," added Winde.

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"The USA is also the leading source market for foreign direct investments in the Western Cape. More than 60 projects benefitted from a total capital expenditure of R31.95bn between 2016 and 2025."

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Protecting trade preferences

The African Growth and Opportunity Act (Agoa), which provides eligible sub-Saharan African countries with preferential, duty-free access to the US market, has supported African exports and trade relationships since 2000.

Gale said the threat of South Africa losing its benefits under the agreement adds to uncertainty for exporters: "Continued uncertainty puts that work at risk and makes it harder to retain customers. Once a buyer moves to another supplier, winning that business back is no simple matter."

He warned that losing these benefits would further weaken South African exporters' competitiveness, putting existing trade relationships and jobs at greater risk.

"Both governments need to move beyond public confrontation and pursue negotiations that protect the trading relationship. Neither country has to agree on every policy to recognise the value of doing business with the other. But allowing disagreements to deepen without a workable resolution puts commercial relationships in jeopardy. We need direct engagement at the highest level, backed by a clear commitment to resolving the outstanding issues."

Defending established markets

Entering new markets remains essential, Gale urged, but should not become an excuse for accepting the erosion of established trade. "Diversification takes time. Exporters cannot simply replace the US market overnight. South Africa needs to defend the business it already has while pursuing new opportunities. Further deterioration must not be treated as inevitable."

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Meanwhile, Wesgro's 2025 export-market data reveals exports from the Western Cape to the UK - ranked as the province's second largest exporter - were valued at R16.99bn last year.

The Western Cape's largest export market is the Netherlands, ranked first in both 2023 and 2024, and has remained the province's largest export market in 2025, with exports valued at R23.36bn.

Namibia ranked fourth in 2025, with exports valued at R14.88bn. China was the Western Cape's fifth-largest export market, with exports worth R11.33bn, accounting for 5.1% of the province's total goods exports.

Winde said despite current diplomatic challenges, the province demonstrated strong resilience, recording a decade-high R11.41bn in investments from the US in 2025.

ABOUT KATJA HAMILTON

Katja is the Finance, Property and Construction Editor at Bizcommunity.
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