

# Dawie Roodt's message to South Africans about the United States tariffs



Renowned economist Dawie Roodt says that 30% of US tariffs on South African goods is really bad news for an already fragile economy and warned that this is only the beginning.

However, while he acknowledged that many people will feel the impact of Trump's trade and international policies, he believes the long-term consequences will leave South Africans better off by holding the government to account.

South Africa failed to negotiate a trade deal with the United States before the 1 August deadline, and it is now set to be hit by a 30% tariff on exports to its second-largest trade partner in seven days.

Despite a last-ditch attempt to sweeten its offer to the US ahead of the implementation date, the Trump administration confirmed that the tariff will take effect.

US President Donald Trump signed an executive order adjusting the tariffs applied to various countries, including a 30% tariff for South Africa.

Notably, the order states that these tariff modifications shall be effective with respect to goods entered for consumption, or withdrawn from warehouse for consumption, on or after 00h01 eastern daylight time, seven days after the date of this order.

According to Roodt, South Africa's government typically only responds at the last minute in crisis situations, and this appears to be no different.

Roodt argued that the tariffs, which he believes are likely to go ahead, are not economically motivated. “We are basically irrelevant” to the US economy, he said.

“This cannot be about economics; it must be about politics.” He believes the US, and particularly Donald Trump, is using tariffs to pressure South Africa to rethink its international allegiances, particularly its relationships with Russia and Iran.

He added that Donald Trump might be a bully, but he’s by far the strongest bully on the playground, and you don’t mess with a bully. That’s just the reality.”

Asked whether President Cyril Ramaphosa will have to walk back his stance of refusing to be bullied by the US, Roodt responded, “You will be bullied, whether you like Donald Trump or not.”

He warned that this is only the beginning. “It’s not the end. There is more to come,” he said, referring to the potential for Trump to increase tariffs even further or implement damaging financial sanctions.

“Sanctions against individuals are one thing, but to implement financial sanctions against South Africa is another. That’s going to be far more damaging.”

## Government to blame



*Economist Dawie Roodt*

He estimated the 30% tariffs alone could cost South Africa up to 100,000 jobs and shave off 0.2% of GDP.

“That’s a lot in our current context. If the South African economy was growing at 5 or 6%, losing 0.2% wouldn’t be that bad. But the reality is we’re not even growing,” he said.

Roodt didn’t mince words when assigning blame. “The South African economy is not growing because of the mismanagement by the ANC. That’s the reason,” he said.

He warned that South Africa’s foreign policy choices, particularly on morally or ideologically charged issues like Palestine and Iran, have real-world economic consequences.

“Whether you like Iran or not, whether you think it’s morally right or wrong to support the Palestinians, you have to understand that there will be an economic fallout.”

Looking at the bigger picture, Roodt believes the world is entering a new, uncertain economic era led by Trump’s disruptive approach.

While Roodt agreed with some of Trump’s logic, that other nations must contribute more to global security and that the US has long acted as the world’s consumer, he warned against trade protectionism.

“Free trade is always a good idea because it’s good for everybody,” he said. When it comes to domestic governance, his outlook is bleak.

Referring to the current Government of National Unity (GNU), he said the whole political fabric in South Africa is kind of collapsing.

“The president has lost credibility, and the ANC has lost credibility. Nobody believes in government anymore.”

As South Africa braces for the fallout, Roodt’s message included a long view of history. “Every new period in the history of mankind has improved our living conditions quite significantly,” Roodt said.

“This is another major change. It’s going to look different, a lot of people are going to get hurt in the process, but overall, it will be good for us.”