EC/South Africa agreement: trade, development and cooperation

1999/0112(AVC) - 09/07/1999 - Legislative proposal

PURPOSE: conclusion of the Trade, Development and Co-operation Agreement between the European Community and the Republic of South Africa. CONTENT: the draft agreement establishes a framework for the strengthening and deepening of the cooperation between the EU and South Africa in a broad field of activities. The agreement is based on the principles of respect for human rights and democratic principles. In particular, it seeks to: - strengthen the dialogue between the parties, - support South Africa in its process of economic and social transition, - promote regional cooperation and economic integration of this country in the Southern African region, - promote the expansion and reciprocal liberalisation of mutual trade in goods, services and capital, - encourage the smooth and gradual integration of South Africa into the world economy, - promote cooperation between the EC and South Africa within the bounds of their respective powers, in their mutual interest. There are three main aspects covered by the agreement: a trade aspect, an economic cooperation aspect and a development aspect. 1) As far as the trade aspect is concerned, the agreement provides for the progressive setting up of a free trade area between the EU and South Africa with a transitional period of 12 years for South Africa and 10 years for the Community. This free trade area would concern the free movement of goods in all fields, as well as services and capital. The agreement also provides for the gradual abolition of customs duties by the Community and South Africa for a whole series of products specifically mentioned in the agreement (including agricultural products). Safeguard clauses also exist for certain sensitive products; 2) on the economic cooperation front, the agreement covers all areas of common interest: industrial cooperation, promotion and safeguarding of investment, development of exchanges, cooperation between SMEs and micro-businesses, in the area of the information society and information technologies, cooperation regarding post, energy, transport, tourism, agriculture, fisheries, services and consumer policy; 3) the third aspect deals with development cooperation and focuses on the dialogue between the parties. It seeks as a priority to combat poverty in South Africa. Specific measures designed to support the furthering of the democratic process under way in the country as well as favouring the emergence of civil society and female empowerment are also planned. A fourth aspect enlarges still further the fields of cooperation in particular to the environment, culture, social questions, combatting drugs and money laundering, and public health. To facilitate this cooperation, a wide range of existing financial instruments will be used, all of which will be implemented according to their established rules and procedures: in particular via the special instrument created in the Community budget to support development cooperation(see COD990070), other financial resources from other budget lines or via loans guaranteed by the EIB for the funding of investment projects (see CNS990080). AA final section deals with the institutional structure for the management of the agreement : a Cooperation Council is established to ensure its proper operation. The agreement includes a clause permitting its extension to cover other fields of cooperation. The agreement is of unlimited duration. It is, however, planned that it be re-examined after five years to see whether modifications are required.