EC/South Africa agreement: trade, development and cooperation

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The Committee has adopted a report by Glenys Kinnock (UK, PES) proposing that Parliament give its assent to the conclusion of a trade, development and cooperation agreement between the EC and South Africa. The European Union is South Africa's largest trade partner, accounting for 40% of its exports and 33% of its imports. For its part South Africa accounts for only 1.9% of the EU's imports and 1.3% of its exports. South Africa's share of world GNP is 0.46%. The agreement is based upon the need for respect, on both sides, for democratic principles, human rights and good governance. It aims to support South Africa's transition to economic and social stability and promote regional and economic cooperation and integration. It also provides for a free-trade area between the EU and South Africa. The main trade provisions are as follows: ·Europe will open its markets to 95% of South African exports over ten years and South Africa will open its markets to 86% of European exports over twelve years; ·75% of South African agricultural products will gain easier access to the European market (61% of products are to be liberalised and 13% partially liberalised through a system of tariff quotas) although some will continue to be excluded altogether; ·the EU will eliminate tariffs on 86% South Africa·s industrial goods; ·sectors that South Africa considers sensitive will be placed on a reserve list; ·separate agreements will be concluded on fisheries and wines and spirits. The agreement also provides for economic cooperation (areas covered include micro-enterprises, transport, energy and mining). Development cooperation focuses on disadvantaged communities and also emphasises social and environmental issues. Measures are to be carried out in areas such as employment, support for private enterprise, support for economic adjustment measures in the region and the improvement of living conditions. The agreement also provides for political dialogue. MEPs voiced concern about the potential consequences of the agreement for the southern African region as a whole. They called on the Commission to introduce measures to protect the economies of South Africa's neighbours.