Economic and trade relations with South Africa

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The Committee on External Economic Relations adopted the report by Mr SMITH (PSE, UK) on economic and trade relations with South Africa. In his report, Mr SMITH reaffirmed the importance of economic and trade relations between the Union, South Africa and southern Africa and welcomed the forthcoming negotiations with a view to concluding a long-term agreement. The rapporteur stressed the need to encourage the integration of South Africa in the world economy and acknowledged that the SPG extended to this country was still insufficient to enable it to develop its foreign trade and long-term growth. The rapporteur called for a strategy to be applied which was designed to improve both South Africa's access to the market for basic products and job-creating sectors (especially manufacturing industries) and help diversify exports, so that South Africa could restructure its economy. In the rapporteur's view, any new trade agreement should provide adequate guarantees for both Union producers and traditional suppliers. In particular, the Union should encourage bilateral agreements on investment protection, cooperation between customs services, the promotion of compatible standards and certification systems and the joint promotion of common products (wine, cut flowers). In addition, the Commission should encourage ecological and socially fair forms of production and release funds to support projects in this area (ecological agriculture, cooperatives etc.). The rapporteur also stressed the importance of developing interregional trade in southern Africa, especially in South Africa. Interregional investment should be encouraged by extending the provisions of the Lomé Convention on cumulation to South Africa and by allowing South African companies to take part in EDF invitations to tender. The report called on the Council to take steps designed to guarantee the abolition of all forms of trade discrimination by granting a complete SPG in the agricultural area as of July 1995 and for questions relating to cumulation and invitations to tender to be fully resolved during the mid-term review of Lomé IV. It also called for a special clause on the accession of South Africa to the Lomé Convention to be adopted. Finally, the rapporteur called for Parliament to be informed at each stage of the negotiations between South Africa and the European Union and for a European Parliament delegation to attend negotiations on the trade and cooperation agreement to be concluded.