Economic and trade relations with South Africa

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Adopting the report by Mr Alex SMITH (PSE, UK) on the future of economic and trade relations between South Africa and the European Union, the European Parliament stressed the need to encourage the integration of South Africa into the world economy by promoting harmonious, balanced and sustained development. It reaffirmed the importance of economic relations between the Union and South Africa and particularly welcomed the negotiations on the framework for long-term economic and trade relations between the parties, which were officially opened on 30 June 1995. It called for the application of a strategy to radically improve access to the market for the basic products and sectors most likely to exercise a real impact on the development of South Africa. Recognizing in this respect that extending the SGP to South Africa was insufficient to promote the expansion and diversification of South-African exports, the SMITH report called for economic restructuring to be promoted by encouraging the development of manufacturing industries. The European Parliament also called for any new trade agreement to provide adequate and transparent guarantees for both Union producers and traditional suppliers and encouraged the conclusion of bilateral agreements, especially on investment protection and the joint promotion of common products such as wine and cut flowers. It also stressed the need to ensure that nothing hampered the expansion of interregional trade in southern Africa and welcomed the efforts made by South Africa to restructure regional trade. It called in this respect for trade and interregional investments to be encouraged by extending the provision of the Lom Convention on cumulation to South Africa. Similarly, the European Parliament called for South-African companies to be authorized to apply for membership with a view to winning contracts financed by the EDF. The European Parliament called on the Commission to carry out an analysis of the impact of a free trade zone on industry in South Africa and in its partner SACU countries sector by sector and called for any new trade agreement to be negotiated in close consultation with the region of southern Africa and the ACP group. It called in particular for the Commission to examine the possibility of introducing a process leading to the gradual and mutual liberalization of trade with a view to establishing a real free trade zone. In conclusion, it called on the Council to: - adopt a special clause on the accession of South Africa to the Lom Convention during its mid-term review; - consult the European Parliament at each stage of the negotiations between the two parties and allow European Parliament observers to attend the negotiations; - grant South Africa a full System of Generalized Preferences, including in the agricultural sector.