

toward deregulation, South Africa encourages foreign investment in order to accelerate development and increase employment. To encourage greater inclusiveness for historically disadvantaged people in the economy, the South African government has enacted legislation to promote economic empowerment for these elements of society, in both the public and private sectors.

Market Access Results in 2004

- On January 21, 2005, South Africa accepted the proposed certificate for poultry products from Canada.
- Negotiations on a bilateral air transport agreement took place in South Africa in April 2004. However, they did not result in an agreement. Airlines continue to hold discussions that may identify commercial opportunities and lead to a subsequent request to resume government-to-government negotiations. Government air transport negotiators continue to consult one another regarding changes in their respective policies.
- The ban on beef products remained in place, except for items specifically allowed entry by South Africa: milk and milk products, semen and embryos, protein-free tallow, hides and skins, and gelatine and collagen prepared from hides and skins from Canada.

Canada's Market Access Priorities for 2005

- Continue to monitor the implementation of legislation in the mining sector to ensure that the interests of Canadian mining companies invested in South Africa are not compromised.
- Continue to monitor Canada's competitiveness in light of the free trade agreements that South Africa has negotiated (with the European Union and Southern African Development Community) or will be negotiating (with the United States, EFTA, Mercosur, China and India).
- Monitor South African legislation and policies in areas such as natural resources and economic empowerment for historically disadvantaged South Africans, to ensure that the interests of Canadian investors are protected.

- Continue to consult airlines to determine whether commercial discussions could lead to negotiation of an air transport agreement.
- Re-engage in discussions with South Africa to update, finalize and ratify the 1995 Canada–South Africa Foreign Investment Promotion and Protection Agreement (which was signed but never ratified).
- Continue representations aimed at removing South Africa's BSE measures.

IMPROVING ACCESS FOR TRADE IN GOODS AND SERVICES

Bovine Spongiform Encephalopathy

Following Canada's May 20, 2003, announcement of a BSE case, South Africa issued restrictions on the import of Canadian live cattle and beef products. Canada has kept all its trading partners, including South Africa, fully informed of the results of its investigations and regulatory response, and it is requesting a resumption of trade on scientific grounds. (For further information, see the BSE overview in Chapter 2.)

Avian Influenza

On March 11, 2004, South Africa imposed measures against imports of poultry from Canada due to avian influenza. On January 21, 2005, South Africa accepted the proposed certificate for poultry products from Canada. (For further information, see the avian influenza overview in Chapter 2.)

Bilateral Air Transport Negotiations

The Government of Canada will continue to consult airlines regarding their commercial discussions and will maintain a dialogue with the South African government concerning its air transport policy. The goal is to determine whether prospects have improved for negotiation of an air transport agreement. A satisfactory agreement would represent a gain in market access for designated Canadian airlines and benefit other Canadian businesses by easing travel to and from South Africa.