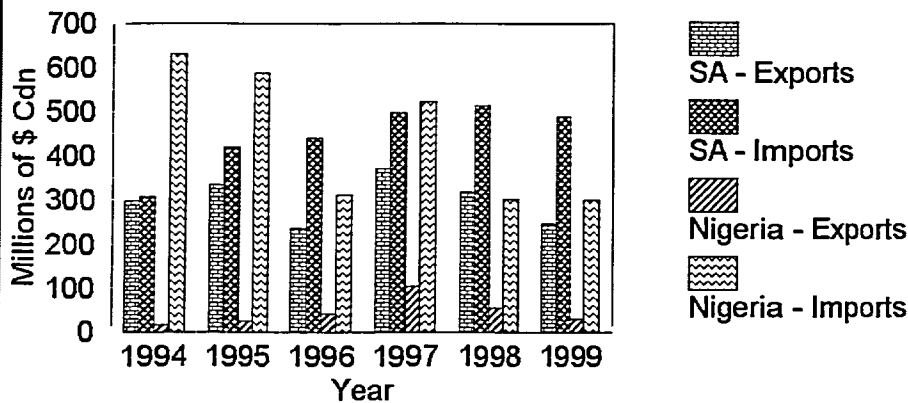


more valuable given the resumption of WTO [World Trade Organization] negotiations on agriculture and services and South Africa's ongoing trade talks with the EU [European Union] and neighbours in the Southern African Development Community.

Canada has also signed a FIPA [foreign investment promotion and protection agreement] with South Africa. Discussions are ongoing regarding the entry into force of this agreement.

SA & Nigeria Trade with Canada



South Africa: Gateway to Sub-Saharan Africa

South Africa—with just 5% of the continent's population—accounts for 40% of Africa's industrial output, 25% of its GDP, over 50% of its electricity production, 45% of its mineral production, and 40% of its phone lines. This economic dominance, combined with its established business culture and its excellent physical and financial infrastructure, explains why South Africa is used by foreign companies as a gateway to Africa.

Given the importance of the South African market and its world-class infrastructure, Canada maintains its only independent trade office in Africa in the dynamic commercial centre of Johannesburg. The Canadian High Commission Trade Office is responsible for South Africa (and neighbouring countries Lesotho, Mauritius, Namibia, and Swaziland), but is becoming a hub for Canadian business working elsewhere in Sub-Saharan Africa for three main reasons:

- For many companies South Africa is a bridgehead to Sub-Saharan Africa;
- South African companies make good partners for doing business in other parts of Africa including Francophone West Africa, where Canadian and South African firms can effectively join forces, building on French language capability and market knowledge and on South African trade financing;
- South Africa has a critical mass of banking, IFIs, and development institutions that provide financing for African-related projects.

South Africa and Nigeria are Canada's two largest trading partners in Sub-Saharan Africa, but the trade is decidedly different. Nigeria does not yet compare as an export market with South Africa, but this may change over the next few years as the economy is restructured and revitalized, and confidence in its business and financial systems is restored.