

OTHER ISSUES

Mining Royalty Bill

In 2003, Canadian companies raised concerns about the draft South African Mineral and Petroleum Royalty Bill, particularly the way the royalties were to be assessed, that is:

- on gross revenue rather than on profit, contrary to the model prevalent in Canada;
- at different rates for different minerals, and
- at relatively high rates subject to potential future increases.

All of these aspects of the draft bill were strongly opposed by Canadian mining firms, other international mining firms, and the South African mining industry in general. A revised final version of the bill is to be presented in the spring of 2004.

EAST, WEST AND SOUTHERN AFRICA (EXCLUDING SOUTH AFRICA)

Canadian exports to the rest of sub-Saharan Africa are concentrated in wheat, machinery and telecommunications equipment. Exports to the region from the European Union and the United States suggest that Canadian suppliers are not winning the share of African business that might be expected. A priority for 2004 will be identifying new opportunities to export to Africa and exploring reasons for the apparent limited access of Canadian exporters to African markets. The Government of Canada will continue to encourage African governments to implement a transparent, business-friendly environment in order to facilitate commercial transactions and make African countries more attractive as export and investment destinations. Regional integration initiatives, such as the implementation and expansion of a uniform business law across much of West Africa, are important examples of efforts to achieve legislative consistency and reduce uncertainty in the market.