

## *Sub-Saharan Africa*

### **SOUTH AFRICA**

#### **Overview**

South Africa is Canada's largest trading partner in sub-Saharan Africa. The trading relationship is diverse and well developed, with exports from Canada ranging from grains to mining machinery to communication equipment.

South Africa continues to open its domestic market and to pursue an open trading regime. It actively participates in multilateral organizations such as the Cairns Group, which pursues further liberalization of agricultural trade. Since the end of apartheid, tariffs have been simplified and reduced and non-tariff barriers have been scaled back. Competition is being encouraged by reducing the concentration of business ownership (a legacy of apartheid) and through privatization and deregulation. South Africa actively encourages foreign investment in order to accelerate development and increase employment. To encourage greater inclusiveness, the government actively promotes economic empowerment for historically disadvantaged South Africans in both the public and private sectors.

#### **Market Access Results in 2003**

- South Africa advised in June 2003 that it will now accept 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 2004**

- 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 the light of the free trade agreements that South Africa has negotiated with the European Union and with the Southern African Development Community, as well as those being negotiated between the Southern Africa Customs Union and the United States and Mercosur.
- 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.
- Secure a bilateral air transport agreement.
- Continue representations aimed at removing South Africa's bovine spongiform encephalopathy (BSE) measures on imports from Canada.

### **IMPROVING ACCESS FOR TRADE IN GOODS AND SERVICES**

#### **Bovine Spongiform Encephalopathy**

Following Canada's May 20, 2003, announcement of a BSE case, South Africa initially issued a strict and complete ban on the import of all ruminants and ruminant products from Canada, including milk, semen and embryos. However, in June South Africa advised that it would accept milk, semen, embryos and certain other 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.)

#### **Bilateral Air Transport Negotiations**

Negotiations on a bilateral air transport agreement allowing Air Canada to serve South Africa are scheduled for 2004. Such an agreement would represent a gain in market access for the Canadian airline and benefit other Canadian businesses by easing travel to and from South Africa.