

Sub-Saharan Africa

African gross domestic product is currently growing faster than the GDP of any other developing in region of the world. Canada exported \$606 million in goods to sub-Saharan Africa in 2002, down from \$700 million in 2001. The addition of services exports would bring total exports to over \$1 billion. Goods imports from sub-Saharan Africa increased by 10% to \$1.2 billion, with crude oil accounting for over a third of this figure. On January 1, 2003, Canada opened its markets to African imports by eliminating tariffs and quotas on most imports from 48 least-developed countries, of which 34 are located in Africa.

SOUTH AFRICA

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 mining machinery through grains to communications equipment.

South Africa continues to pursue an open trading regime. In addition to its international activities in multilateral organizations such as the Cairns Group, it continues to open its domestic market. 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 in both the public and private sectors.

Canada's Market Access Priorities for 2003

- Continue to press South African authorities to clarify and streamline the rules applicable to exchange controls affecting potential mergers between South African and Canadian firms.

- Ensure full clarity on offset requirements (both military and civilian) for large procurement contracts, which have in the recent past created transparency problems.
- Continue to monitor Canada's competitiveness in light of the free trade agreements that South Africa has with the European Union, Mercosur and the Southern African Development Community.
- Monitor South African policies and programs, such as the new natural resources legislation and the economic empowerment program, to ensure that the interests of Canadian investors are protected.

EAST, WEST AND SOUTHERN AFRICA (EXCLUDING SOUTH AFRICA)

Canadian exports to the rest of sub-Saharan Africa are concentrated in a few commodities. 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 2003 will be identifying new opportunities to export to Africa and exploring reasons for the apparent reduced access of Canadian exporters to African markets. The November 2002 trade and investment mission to South Africa, Nigeria and Senegal, led by International Trade Minister Pierre Pettigrew, was an important first step in this direction.