



No. 183

September 24, 1993

## CANADA LIFTS TRADE, INVESTMENT AND FINANCIAL SANCTIONS AGAINST SOUTH AFRICA

External Affairs Minister Perrin Beatty announced today that Canada is lifting its trade, investment and financial sanctions against South Africa.

"As Chairman of the Commonwealth Committee of Foreign Ministers on Southern Africa, I have consulted the Commonwealth Secretary-General and other members of the Committee, and we agree that the conditions for lifting the remaining Commonwealth sanctions have now been met," Mr. Beatty said. "The lifting of sanctions marks a very important turning point in the Commonwealth's steadfast opposition to apartheid, one which is cause for celebration. We can now look forward to a new era in our relations with South Africa."

The Minister said that the embargo imposed by the United Nations on arms sales and the voluntary oil embargo will be lifted when a democratic government is firmly in place in South Africa, or when the UN decides on another appropriate time.

The lifting of Canada's trade, investment and financial sanctions is in recognition of South Africa's progress away from its apartheid past and toward its full re-entry into the international community. The move will allow Canadian businesses to take advantage of new trade and investment opportunities in South Africa, and South African businesses will be able to market their products in Canada.

Canada has supported the efforts of South Africans to bring an end to the repugnant system of apartheid, Mr. Beatty added, and will continue to support South Africans as they work to rebuild their society.

The Minister for International Trade, Tom Hockin, said the Government will undertake a series of initiatives to encourage business ties between Canada and the new South Africa. These will include the opening of a trade office and the posting of trade commissioners to South Africa. Mr. Hockin also announced plans to lead a high-level trade mission to South Africa this autumn to underscore Canada's support for increased trade links between both countries. In addition, a series of trade seminars will be held across Canada and the Government will actively support business and trade groups seeking to promote trade with South Africa.

A background information sheet on the sanctions and their status is attached, and an information kit is available upon request.

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For further information, media representatives may contact:

Media Relations Office  
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## Backgrounder

### **STAGES IN THE LIFTING OF CANADIAN SANCTIONS**

#### Sanctions that have already been lifted

People-to-People Sanctions, lifted at Harare October 22, 1991.

- official contacts restored with South Africans excluding contacts with the South African military, police, security and intelligence forces. Prior approval from External Affairs is required for contact with the latter three groups.
- restrictions on cultural and scientific exchanges;
- ban on direct air links;
- ban on the promotion of tourism to South Africa;
- SATOUR authorized to reopen an office in Canada;
- resumption of issuance of visitors, visas at the Canadian Embassy in Pretoria; and
- sporting contacts allowed providing that the sporting organization in South Africa is "non-racial"; has been readmitted to the relevant international governing body and has the approval of the National Olympic Committee of South Africa.

#### Sanctions that are lifted with this announcement

**Economic Sanctions, "including trade and investment measures."**

To be lifted when "appropriate transitional mechanisms" have been agreed upon that would enable all parties to participate fully and effectively in negotiations. This condition has now been met.

- imports of agricultural products from South Africa, coal, iron and steel products, uranium, krugerrand coins;
- exports of dual-use high technology goods to civilian end-users with required export permit. Exports of these goods to the South African military, police or intelligence forces will continue to be denied. As well, South Africa will be retained on the Area Control List;

- ban on private sector investment in South Africa;
- commercial banks/institutions trade-related financing;
- federal government trade support services: Program for export Market Development (PEMD) contributions, EDC financing and insurance, trade development including the assignment of trade commissioners to South Africa;
- federal government procurement and sales to South African entities or majority-owned South African corporations; and,
- federal government grants and contributions to South African organizations or majority-owned South African corporations.

**Financial Sanctions, "including lending by international financial institutions such as the IMF and the World Bank."**

Considered to be the most effective of the sanctions in place, heads of government agreed that these would remain in place until there was agreement on the text of a new democratic constitution, or could be lifted earlier if agreed upon by the participants at the multi-party negotiations or by an interim government.

- Non-trade related loans made by financial institutions
- World Bank Lending; and
- IMF lending.

**Sanctions that remain in place**

**The Arms Embargo, applied by the United Nations under UN Security Resolution 418 and supported by a variety of specific Commonwealth measures.**

- restrictions on the importation of arms from South Africa;
- restrictions on the export of arms and related munitions of war to South Africa; and,
- official contact by Canadian government officials with the South African military, security and intelligence forces, and the police, except where prior approval has been granted by the Department of External Affairs.

**The voluntary UN oil embargo, supported by various resolutions of the General Assembly (res. 41/35F, A/42/L.31) as well as, by the Commonwealth Accord, Nassau 1985**

- restrictions on exports and imports of crude oil and related petroleum products.

The arms and oil embargoes will remain in effect until a new post-apartheid South African government is firmly established, with full democratic control and accountability or until the UN or the multi-party forum requests their removal.

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