
news release

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MACLAREN AND MARTIN ANNOUNCE EXTENSION OF GENERAL PREFERENTIAL TARIFF TO SOUTH AFRICA

The Honourable Roy MacLaren, Minister for International Trade, and the Honourable Paul Martin, Minister of Finance, today announced that Canada will extend the General Preferential Tariff (GPT) to imports from South Africa.

"The encouraging results of the multi-party elections, and today's inauguration of President Nelson Mandela, will allow us to further strengthen our bilateral trade relations with the democratically elected Government of South Africa," Mr. MacLaren said. "The extension of GPT status demonstrates our commitment to building stronger economic and commercial ties with South Africans."

"Extending the GPT to South Africa will help make possible South Africa's integration into the open international economy," Mr. Martin said. "It will not only help South Africa to expand its exports, but could help Canadian manufacturers find new sources of supply."

The GPT is a system of tariff preferences for imports from developing countries. First introduced in 1974, the GPT is part of an international effort by industrialized countries to assist developing countries and economies in transition in expanding their exports, and thus encourage their economic development.

Application of the GPT reduces the rate of duty paid on eligible imports from South Africa by at least 33 percent. In so doing, the measure is expected to make South African products more competitive and thus contribute to economic development in South Africa.

In addition to the extension of the GPT, Canada has already taken a number of measures to restore normal trade relations with South Africa. Canadian government trade support programs are now available to companies wishing to do business in South Africa. As well, export financing and insurance facilities offered by the Export Development Corporation are now available. Mr. MacLaren also led a trade delegation last January of Canadian companies

seeking to re-establish links with counterparts in the new South Africa. At the same time, he officially opened Canada's trade office there.

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