

News story: UK and South Africa welcome progress on trade relationship

The Minister of Trade and Industry (the DTI), Dr Rob Davies had a bilateral meeting with his United-Kingdom counterpart Dr Liam Fox in London on Tuesday 17 April 2018. In the margins of the Commonwealth Heads of Government Meeting they discussed the trading relationship between the UK and South Africa. The ministers were pleased with the strength of the UK-South Africa trade and investment relationship.

As the UK is in the process of exiting the European Union (EU), South Africa welcomed the UK's intention to avoid any disruption to trade. In particular, both ministers welcomed the significant progress made so far in discussions with the Southern African Customs Union (SACU which includes Botswana, Lesotho, Namibia, South Africa, and Swaziland) and Mozambique. These are to ensure continuity of the EU-SADC Economic Partnership Agreement (EPA) as the UK leaves the EU.

Both parties welcomed the agreement reached between the EU and UK at the March European Council that the UK is to be treated as a Member State for the purposes of international agreements during the EU-UK Implementation Period (1 April 2019 to 31 December 2020). This provides further certainty that there will not be disruption to the existing trading relationship during the implementation period.

International Trade Secretary Dr Liam Fox said:

Free trade has transformed developing economies across the world, and 44 of our 52 Commonwealth partners, including South Africa, benefit from development-focused preferential trade access to the UK market. That's why it's important to ensure continuity and certainty in our current trade arrangements as we leave the EU, and UK officials with their counterparts across Southern Africa have made excellent progress in this.

As we leave the EU and create a new independent UK trade policy, we will build further on our £9 billion of annual trade with South Africa, our biggest trading partner in Africa, and champion free trade to help developing countries combat poverty and grow their economies.

Minister Davies, said that the UK remains an important strategic partner for South Africa globally. South Africa and the UK have enjoyed mutually beneficial preferential trade since entry into force of the first reciprocal trade agreement between South Africa and the EU in January 2000.

Minister for Trade and Industry, Dr Rob Davies said:

The UK is South Africa's second largest trading partner in the EU Region. Our goods exports to the UK in 2014 were R37.6 billion and increased to R46.3 billion in 2017.

Noteworthy is the positive trade balance that South Africa continues to enjoy in its trade with the UK, which earns the country foreign currency and contributes to reducing the country's current account deficit. The key priority for South Africa is to change the structure of our trade to more value added products.

Minister Davies also welcomed the progress made by experts towards finalisation of the rollover of the EPA arrangement between SACU + Mozambique and the UK. "This is critical to ensure continuity post-Brexit", added Davies.

Both parties agreed to assess options for bilateral technical cooperation in the areas of trade and investment promotion. In addition, the parties agreed to work together to promote investments in priority sectors to advance sustainable economic development.