

- Breaking News
- Mining
- Business in Africa
- Companies
- Comment
- World
- Local
- Business Directory
- Sport
- Company Zone

Build wealth through property
Financial Mail

Sunday
15 August 2004

COMPANYZONE

No companies associated with this article.

COMPANIES

CompanyZone shortcuts

Select a Company

e-mail to a friend

print this article

Services

Soweto String Quartet

Fresh, vibrant, funky music. Not what you'd expect from a string quartet

BDB

data bureau (pty) ltd.

Your Partner in HR,
Payroll,
Money Transfers,
Consulting Services
and Solutions

GRAVETT
SCHOEMAN
VAN RENSBURG
& MOODLEY INC

Attorneys, Notaries,
Conveyancers
East London, Bisho

7i

Management Consultants

Implementation
and
Integration of
strategy and
vision

Astute strategy gives SA an edge in world trade

TRADE/Stephen Hanival and Donald Onyango

THE World Trade Organisation (WTO) was, and largely remains, developing countries' best hope for mitigating the uneven power relations between large developed nations and small developing countries in the trading environment.

SA's offer to the WTO in 1994 consisted of a five-year tariff reduction coupled with the rationalisation of its more than 100 tariff bands to just six. This involved reducing SA's average tariff from 11,7% in 1994 to 4,9% last year . Sensitive sectors such as clothing, textiles and the automotive sector were to reduce tariffs over eight years.

Key business and labour stakeholders have in the past made much of SA's apparent "holier than Gatt" approach. However, this view ignores the fact that the tariff reductions agreed to under the General Agreement on Tariffs and Trade were a core component of SA's industrial policy. In fact, compelled by government's industrial policy of moving up the value chain and benefiting local raw materials, a variety of tariffs were lowered beyond Gatt obligations.

SA's multilateral activities form an important part of its trade policy.

But policymakers in the trade and industry department have also pursued a bilateral trade policy agenda. Consequently, preferential trade agreements have been signed with the European Union (EU) and the Southern African Development Community (SADC). SA has also pursued trading agreements with individual countries, such as India, and the Mercosur trade bloc.

The overall effect of SA's post1994 trade policy has been significant. Growth in total merchandise exports from SA has remained positive over the period 1994 to 2001 at an inflation- adjusted rate of 4,8% a year while, more importantly, manufactured exports have grown at 9,1% a year in real terms.

Although it seems that there has been an initial shift in the structure of SA's export basket during the second half of the 1990s, and some sectors are starting to reap the benefits of liberalisation and selective export promotion, it is being achieved from a very low base. Such gains have also been weighed down by export losses in industries such as gold, coal and other mining.

Nonetheless, if this initial shift is sustained, a fundamental transformation of the export profile should appear in the next three to five years.

With September's WTO trade talks in Cancun looking increasingly likely to fail, SA is in the enviable position of having hedged its bets by engaging in a number of key bilateral trade negotiations parallel to its WTO negotiations.

If SA can finalise its negotiations with the US by the end of next year the target date for both negotiating teams about 55% of the country's total export trade will take place through preferential trade agreements with the EU, the SADC and the US.

- Classic Business
- Day Transcripts
- Motor News
- Home Front
- Property
- IT
- Media
- Management
- Surveys
- Fly Fishing
- Business Travel
- Corporate Ladder
- Business Law
- Review
- Auctions

Services

reakgona
Commercial & Industrial Hygiene
Specialists in pest control, indoor plants and cleaning services

kypera
Solutions that understand your business

CREDITPIPE
21st Century Connections for Digital Commerce

Lufthansa
For discounted corporate flights
Click here!

Trade barriers for industrial products, be they tariffs, nontariff barriers or barriers on services trade, are already relatively low in the EU and the US, and are much higher in emerging markets. But global trade analysis of the possible Doha round configurations suggests that South African exporters can achieve substantial gains from accessing south-south markets . Negotiating preferential trading arrangements with developing countries is thus of both strategic and practical value.

Of course, the fact that substantial domestic subsidies still exist in the agricultural sectors of developed countries, hindering developing countries' market access, means SA should maintain its current pressure on the developed world to reduce such subsidies and nontariff barriers.

SA's sophisticated trade policy alone will not necessarily lead to local exporters benefiting. Government will need to continue addressing some of the critical logistics-related impediments to efficient exporting, and business will need to commit to investing in plant, machinery and human resources to meet the opportunities available internationally.

However, almost a decade of astute trade strategy has paid off and puts SA in a good position to influence issues vital to its own and other developing countries' trade agenda.

Hanival and Onyango are director and economist respectively at Trade and Industry Policy Strategies. (TIPS)

Oct 29 2003 07:04:59:000AM Business Day 1st Edition

Power Search Making web navigation a breeze

- [Accommodation](#)
- [Communication](#)
- [Entertainment](#)
- [Health & Social](#)
- [Media](#)
- [Repair & Rental](#)
- [Sport & Recreation](#)
- [Art & Culture](#)
- [Eating Out](#)
- [Finance & Insurance](#)
- [Industry](#)
- [Membership Organizations](#)
- [Retail & Wholesale](#)
- [Tourism](#)
- [Business Services](#)
- [Education](#)
- [Government](#)
- [Information Technology](#)
- [Real Estate](#)
- [Services & Utilities](#)
- [Transport](#)

*the information provided through this service and does not warrant the truth, accuracy
or completeness of the information provided.*
BDFM Publishers 2002

