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Department:
Trade, Industry and Competition
REPUBLIC OF SOUTH AFRICA

THE NATIONAL COUNCIL OF PROVINCES

QUESTION FOR WRITTEN REPLY

QUESTION NO. 148

Ms NP Mcinga (EFF) to ask the Minister of Trade, Industry and Competition:

- (a) What initiatives is his department undertaking to advocate for a unified trade rate for key African minerals such as gold, diamonds, platinum and oil in order to enhance intra-African trade relations, (b) how is his department supporting the promotion of African-manufactured products such as black soap, cocoa, shea butter and traditional fabrics within international trade agreements and regional partnerships and (c) what strategies are in place to ensure that such efforts will strengthen economic relations among African nations and reduce reliance on external markets? [CW213E]

REPLY:

- (a) The Department is not primarily responsible for promoting trade in precious metals and precious stones. However, the Department works closely with the Department of Mineral and Petroleum Resources on approaches to control, develop and process these minerals for the benefit of South Africa. The Department is also engaged at African Union (AU) and SADC level processes to ensure collaboration and development of regional value chains to harness and leverage the mineral endowments of the region for the benefit of South Africa and the continent. At this stage, there has been no engagements on a unified tariff rate on these mineral products.
- (b) The Department is leading South Africa's negotiation and implementation of the African Continental Free Trade Agreement (AfCFTA). The AfCFTA is anchored on

the development integration approach, which places emphasis on market integration, industrialization and infrastructure development to support the continental objectives of sustainable development and economic growth. The AfCFTA is about promoting intra-Africa trade in African manufactured products in general, including those specifically mentioned.

- (c) The Department is leading South Africa's participation in the AfCFTA. Ultimately, the AfCFTA is Africa's strategy to attain industrialization and sustainable economic growth and job creation on the continent. The AfCFTA aims to build an integrated African market anchored on development integration approach to promote intra-Africa trade, investment and industrialisation that can unlock sustainable growth and development and boost the current levels of intra-Africa trade that are standing at 16% of total trade. The AfCFTA seeks to address the long standing challenges facing the continent, namely: small fragmented economies with no economies of scale; dependence on exports of commodities and importation of finished products; low level of intra-Africa trade, low share of global trade which stand at 3% and low levels of industrialisation. Through strong rules of origin, the AfCFTA encourages manufacturing of products in the continent, rather than importing them from outside the continent. Diversification of trade and markets will remain an important strategy to promote resilience, however, the AfCFTA creates a viable market of 1.3 bn people that can put Africa on a sustainable growth trajectory and reduce over-reliance on external markets and imports.

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