

Brussels, 28 June 2006

Commission proposes to upgrade EU's relations with South Africa to a Strategic Partnership

The European Commission adopted a Communication proposing a Strategic Partnership between the European Union and South Africa. The document sets out a comprehensive long-term framework for the EU's relations with South Africa, which takes account the country's position as an anchor in the region and its important role on the African continent and in international relations. This renewed partnership covers political and economic relations and builds on existing privileged relations.

The strategic partnership proposed by the Commission intends to move political relations between the EU and South Africa from regular dialogue to intense strategic cooperation, as both share many objectives on regional, pan-African and international issues. It will also develop stronger economic cooperation by including related areas such as trade and social, cultural and environmental concerns. The Commission's proposals also wish to bring the partnerships between Member States, the Community and South Africa together in a single and coherent framework with clearly and jointly defined objectives associating all stakeholders.

Louis Michel, the European Commissioner for Development and Humanitarian Aid, said: "Europe and South Africa both agree on many international issues. Together, we promote, for instance, peace, good governance and regional integration through the African Union. This strategic partnership between the EU and South Africa will allow us to work even more closely together at regional, continental and global levels to support Africa meet its development goals."

Following his meeting with South African President Thabo Mbeki in Pretoria on the 28 February 2006, Commissioner Michel decided to propose to move towards a strategic partnership. "*South Africa has taken on a pivotal role in Southern Africa and throughout the continent, which is reflected in its international profile and its commitment to multilateralism*", he said.

Following discussions of the Strategic Partnership with Member States, the European Parliament and the Economic and Social Committee, a concrete action plan for implementing the Strategic Partnership is scheduled for fall.

The Commission has also adopted today a proposal for a negotiating mandate for amending the Trade Development and Cooperation Agreement between the EU and South Africa. The main purpose of the proposed negotiations is threefold:

- To bring the agreement in line with the revised Cotonou Agreement as regards new political provisions on issues such as terrorism or weapons of mass destruction
- To push for further trade liberalisation in order to update provisions on development cooperation
- Cooperation in other areas.

Relations between South Africa, the Community and its member states are well established and date back to the anti-apartheid struggle. They are regulated by the Trade, Development and Cooperation Agreement (TDCA), signed in 1999, which came into full operation in May 2004. The TDCA includes provisions for a Free Trade Area, financial assistance and development cooperation, cooperation in trade related issues, economic cooperation, social and cultural cooperation and political dialogue.

The EU is South Africa's most important economic trade partner, accounting for over 40% of its imports and exports, as well as for 70% of foreign direct investment. European exports to South Africa have risen by 9.5 % per year on average, since the application of the Trade Development and Cooperation Agreement (TDCA).

The Commission funds development cooperation in South Africa worth around €125 to 130 million per year. The European Development Bank also has an agreement with South Africa and provides loans for an average amount of € 120 million per annum. The EU is by far the most important donor; the Commission and Member States together provide about 70 % of total donor funds.