

U.S.-African Ministers Deadlock On Trade Agreement

Associated Press

December 10, 2004

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THE U.S. trade envoy met with ministers from five southern African countries in hopes of advancing negotiations on the United States' first free-trade agreement in sub-Saharan Africa.

The talks, which began in South Africa in June last year, have stalled over a number of issues, including labour, the environment and intellectual property rights.

Members of the Southern African Customs Union - Botswana, Lesotho, Namibia, South Africa and Swaziland - argue that many of these issues should be dealt with through other forums and want a more limited deal than that proposed by the United States.

South African Trade and Industry Minister Mandisi Mpahlwa, who led the SACU delegation, described the three-and-a-half-hour meeting Friday in the Namibian port of Walvis Bay as difficult.

"There is further work that needs to be done to take this process forward," he said without elaborating.

Although he could not spell out the US-SACU Free Trade Agreement differences, SACU insider sources have said that "the US was not at the same level of trade negotiation ambitions".

To conclude an agreement on US terms would have profound negative implications for SACU's broad development policy. "A key question is whether our political systems could accommodate such an agreement," said the source.

"You cannot discuss environment, labour and trade on the same dimension,"

U.S. trade representative Robert Zoellick said on inquiry that the US congress has "urged us to include aspects of labour, intellectual property rights and environment in the trade negotiations".

"We are urging them to simply enforce their own labour laws," he added.

Zoellick was however more upbeat about the meeting.

"We had an opportunity to regain momentum," he said. "We realize that SACU has the best potential and is a good partner in furthering this agreement."

SACU countries make up the United States' largest export market in sub-Saharan Africa.

U.S. officials say a free trade agreement with SACU would be an opportunity to create a framework for trade and investment that furthers regional growth and development.

"We build on the relationship that we have built under the framework of the Africa Growth Opportunity Act (AGOA).

"SACU is in a process of developing and strengthening its own institutions and this helps in strengthening regional integration."

Passed in 2000, AGOA forged a new trade partnership between the United States and sub-Saharan Africa - granting duty-free access to the U.S. market for substantially all products of eligible countries and bringing new jobs and new investment to the region.

AGOA has created new commercial opportunities for Africans. AGOA imports totalled \$14.1 billion in 2003, and non-fuel exports to the United States from eligible countries were up by more than 30 percent over 2002.

A more prosperous Africa is also benefiting American companies, farmers, and workers.

Between 1999 and 2003, U.S. exports to the region have grown by 24 percent to \$6.9 billion.

President Bush has made AGOA a cornerstone of the administration's policy toward sub-Saharan Africa and a key part of his effort to open markets and promote economic growth and development in this struggling area of the world. Over the last four years, President Bush has twice signed legislation passed by Congress to expand and enhance AGOA's benefits.

Namibia was represented by Trade and Industry Minister Jesaya Nyamu and Fisheries and Marine Resources Minister Abraham Iyambo.

Zoellick arrived in Namibia on Friday on the fourth stop of a five-nation sub-Saharan tour aimed at lining up African support for the United States in global free-trade talks.

The World Trade Organization talks have bogged down on the topic of rich countries' domestic agricultural subsidies, blamed by poor nations for pricing their crops out of world markets.

Zoellick's trip has also included stops in Senegal, Benin and Mali. He continues to Lesotho on Saturday.