

Caution As SACU-U.S. Trade Talks Resume

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EFFORTS by SA, its customs union partners and the US to sign a free trade deal resumed late last week after a year-long standoff, but negotiators warned that the hardest part was yet to come.

The first few steps in the second bite at the deal in Botswana were "cautious".

"The real difficulties still lie ahead, but this was an important first step," said SA's chief trade negotiator Xavier Carim on Friday.

Negotiators plan to meet once every eight weeks or so with the aim of concluding negotiations towards the end of next year. This is two years later than the original scheduled completion date.

Talks ran aground after serious differences emerged between the Southern African Customs Union (Sacu) and the US.

In one of several efforts over the past year to revive talks, officials from both sides agreed at a meeting in Geneva in July to resume talks in bite-sized chunks.

The focus of the Botswana session was on industrial tariffs. Carim said a large part of the talks involved updates on technical developments such as tariff amendments, as there had been several changes in the time negotiations were stalled.

Negotiators touched on some of the sticking points including mainly "new-generation issues" such as intellectual property and government procurement, which do not traditionally form part of trade deals between two regions.

The two participants tried to identify areas of convergence and divergence in difficult areas. The aim was not to "get into the substance" of these issues at the Botswana meeting, Carim said.

"With respect to trade in goods and industrial tariffs, we are relatively confident that we could have a deal there," said Carim.

Negotiators are looking to schedule the next session in the middle of next month. It will tackle the sensitive areas of agriculture and textiles.

Sacu hopes to lock in the benefits its exporters enjoyed under the US's African Growth and Opportunity Act permanently through a free trade deal, as well as giving exporters increased access to US government tenders.