

US-South Africa trade talks still on - USTR

By Doug Palmer

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WASHINGTON - The United States will pursue free trade talks with South Africa and four of its neighbors as long as they want and are willing to meet high U.S. standards for such pacts, the U.S. trade representative said on Tuesday.

"We don't want to walk away by any means. If there's interest, we'll continue to be there to engage. But we have to keep our standards high," Rob Portman told reporters after a speech on trade policy toward Africa.

The Bush administration notified Congress in late 2002 that it intended to negotiate a free trade pact with the five member countries of the Southern African Customs Union (SACU) -- Botswana, Lesotho, Namibia, South Africa and Swaziland.

Formal negotiations began in June 2003, but talks have made little progress over the past 2-1/2 years.

Portman did not mention the proposed free trade agreement in his speech, but said Washington would continue working with the five countries on "a deeper economic relationship."

In response to a reporter's question, Portman said the United States was still having "productive discussions" with South Africa and its neighbors on a possible free trade pact.

The five countries already have duty-free access to the U.S. market for most of their exports under the African Growth and Opportunity Act (AGOA).

"So, the question is how much further can you go beyond AGOA to provide them the incentive to enter into an agreement," Portman said. "On our side, we have always insisted on comprehensive FTAs (free trade agreements). ... And that includes sensitive issues" for the Africans, he said.

The most important trade initiative for African countries is the current round of world trade talks, Portman said in his speech to the Corporate Council of Africa, whose

member companies account for nearly 85 percent of U.S. private sector investment on the continent.

"An ambitious outcome could give African countries the improved access to markets and greater competitiveness that they need to to boost their development and decrease poverty," Portman said. "A failed round would be a major setback to efforts to boost Africa's share of world trade."

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