AN OVERVIEW OF COMPETING PERCEPTIONS OF CONGRESS OF SOUTH AFRICA TRADE UNIONS (COSATU) AND SOUTH AFRICAN CHAMBERS OF BUSINESS (SACOB) REGARDING THE EUROPEAN UNION (EU) - SOUTH AFRICA (SA) TRADE DEVELOPMENT AND CO-OPERATION AGREEMENT (TDCA).

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CHAPTER ONE

1.1 *INTRODUCTION*

The purpose of this study is to explore how the South African Chamber of Business (SACOB) and Congress of South African Trade Unions (COSATU) perceive the Trade, Development and Co-operation Agreement (TDCA) signed by the European Union (EU) and South Africa. Chapter Two of the Paper gives a brief exegesis of the EU-SA Trade Agreement, it explains essential connections between Southern African Development Community (SADC) Trade Protocol and TDCA. The link between SADC Trade Protocol and TDCA is premised on the fact that SA's economy is inextricably tied to SADC economies. A trade agreement, therefore, reached by SA and third parties would therefore impact on the region.

Chapters Four and Five inspect submissions of SACOB and COSATU on the TDCA respectively. These submissions were made before a joint sitting of SA Parliament's Portfolio Committee on (1) Trade and Industry, (2) Foreign Affairs and (3) Agriculture and Land Affairs as well as the National Council of Provinces Portfolio Committee on Economic Affairs on 26 October 1999.[1]

The institutionalization of the relationship between the Republic of South Africa (RSA) and the EU through TDCA is regarded by the business community as one of the country's trade policy achievements. On the other hand organised labour, especially COSATU views this relationship with suspicion.

The EU-SA Trade Agreement enjoins all parties to open up their markets and allow the free flow of goods and services. Fundamentally this implies the removal of all protective tariff and non-tariff barriers (ntb) instituted by both partners. During trade negotiations, EU insisted and eventually defended her agricultural markets against SA's agricultural exports. SA was however not able to do likewise. For COSATU EU's protectionist policies are thus perceived unfair and essentially designed to exploit SA perpetually.

SACOB, on the other hand, sees the trade deal as an opportunity to expand business and trade with the EU. They contend that co-operative relations with the EU will generate economic growth and sustain development in RSA. The EU is presently RSA's biggest trading partner, for that reason. As a regional economic powerhouse RSA could become a base to be used to penetrate and cultivate trade links with Southern and Africa in general.

For COSATU any trade agreement that RSA enters into should significantly contribute towards economic development, create more and prevent job losses. For the labour federation, the trade agreement should not have been based on historical relations that Europe and SA had. Instead it should have been premised upon a commitment to address dire material conditions of the historically disadvantaged. Unlike SACOB, COSATU does not give unconditional support to the trade pact.

COSATU is also concerned with long and short term economic effects of the Agreement on region especially Southern African Custom Union (SACU) member-states (Botswana, Lesotho, Namibia and Swaziland [BLNS]). These countries hardly have export products to penetrate the EU market. The Trade Agreement has the potential to wreck economic havoc among them. If BLNS were to open liberally, they would incur astronomical revenue losses (estimated at 4 billion rands).

1.2 STATEMENT OF THE PROBLEM

Ideally EU-SA Trade pact should transform the dire material well-being of the majority. However it would become of limited use if it were to open opportunities only for the privileged. There are two diametrically opposed views on the TDCA in South Africa.

Organised labour is of the view that TDCA caters primarily for the interests of the privileged. COSATU is also worried by the regional dimensions of the Agreement. On the other hand SACOB contends that TDCA is but a window of opportunity whereby SA's economic growth could be enhanced substantially.

1.3 OBJECTIVES OF THE STUDY

The objective of this study is to examine how SACOB and COSATU view the TDCA. In the process the analysis will explore how the Agreement will impact on SACU and SADC member-states.

1.4 SIGNIFICANCE OF THE STUDY

This study will contribute to the understanding of how sectors of SA civil society perceive TDCA. Furthermore the study will explore procedural issues the government should have considered when signing the Trade deal. This is done in the hope of obviating reoccurrence of mistakes committed in the process leading to TDCA. When this is done the government will achieve its commitment to a better life for all South Africans.

1.5 HYPOTHESIS

If given diametrically opposed views of major civil society organs, then TDCA will find it hard to achieve intended obligations and goals.

1.6 METHODOLOGY

The study utilized analytical and comparative approach.

1.7 *DATA COLLECTION*

Data was collected from various sources including current publications, internet, newspapers and conference papers.

1.8 SCOPE OF THE STUDY

The study consists of Chapter One which provides a brief introduction, the objective, significance of the study as well as the methodology and data collection procedures. Chapter Two focuses on a brief background of the EU-SA Trade Agreement, SADC Protocol on Trade and SACU and the

EU-SA Trade Pact. Chapter Three assesses the arguments made by SACOB. Chapter Four analyses COSATU's perspective on the deal. The concluding chapter summarizes the main arguments of the study.

CHAPTER TWO

This chapter provides the aims, objectives and why the EU and SA signed the trade pact. Furthermore it explains, though briefly, the trade aspects of the TDCA. A short exegesis of the SADC Protocol on Trade is given as well. Finally, possible economic consequences of the EU-SA TDCA on the SACU countries are explored.

2.2 BACKGROUND OF THE TRADE AGREEMENT

The primary objective of the EU-SA agreement is, inter alia, to forge close ties and create a platform for dialogue, promote economic growth in the southern region, including facilitation of speedy integration of SA in global economy.[2] The trade pact also aims at liberalization of SA-EU economies in order to allow for smooth and free trade in goods, services and capital.[3] Another aim is to encourage democracy, limited government role in economy and respect for basic human rights.[4]

When the negotiations of the Trade Agreement began, SA initially made a proposal that EU should grant her full membership of the Lome Convention. The benefit of Lome membership was that SA would gain unrestricted access to EU markets. This would ensure that her agricultural products are given preferential entry as other under-developed African, Carribean and Pacific (ACP) countries. Failure to reach agreement on this issue led to the breakdown of the negotiations. The EU refused because she wanted to protect her markets from SA's agricultural products. The EU also argued that SA was developed and as such could not be treated like other ACP countries.

2.3 THE TRADE AGREEMENT

After four years of intensive negotiations SA and the EU signed a "historic" trade pact in Pretoria on 11 October 1999.[5] SA government saw the deal as instrumental in promoting economic growth and development. Concomitantly the removal of tariffs would help nurture SA industrial competitiveness globally.

Trade, Development and Co-operation Agreement would ensure that SA opens 86 percent of her market to EU products. Simultaneously the EU would do likewise, essentially open 96 percent of her market to SA goods.

SA government argued that the trade deal would increase Gross Domestic Product by over 1 percent in the future.[6] In monetary terms this would mean that SA could gain up to about 7 billion rands annually. EU would also benefit substantially a figure of 5 billion rands has been punted about.[7]

The agreement would also enable SA to benefit in non-monetary terms, especially in the form of aid...channeled through the European Program for Reconstruction and Development. This would help redress inequalities of the past and assist in the process of transition to democracy.[8] For these reasons SA government has been full of praise while the business sector viewed TDCA as "historic."[9]

2.4 OBSTACLES AND PROTECTIONISM

TDCA has many protocols, exceptions and agreements. Negotiating teams from both sides agreed to hold separate bilateral negotiations on those sectors deemed "sensitive". The latter are deemed as such because removal of protective tariffs would harm them irreparably. They include, inter alia; Science and Technology, Wines and Spirits, Fisheries,[10] Motor vehicles, textiles and clothing, red meat, sugar, winter grains and dairy products.[11] During the negotiations it became very clear that the agreement on these "sensitive" products was not going to be reached easily. A brief synopsis surrounding these areas is given below.

2.4.1 *Science and Technology*

On science and technology EU and SA agreed to co-operate, exchange information. All in all the Agreement was that SA's capacity in these fields should be developed and strengthened.

2.4.2 *Wines and Spirits*

It was difficult for the EU to agree with SA on wine and spirits. Spain objected to South Africa's use of the label "sherry" and "port" or fortified wines[12]. France and Germany argued that 20% of SA farm and processed agricultural products should be put on exclusion list and thereby ensuring that these remain outside the ambit of the TDCA. Their argument was that the tariff-slashing proposal would endanger the livelihoods of EU farmers by unleashing a flood of cheap agricultural imports from SA. France pointed out that the tariff concessions granted to SA exports under the rules established by WTO could be claimed by the EU trading partners[13]. If SA got these concessions it would result in the EU losing up to 700 million US dollars per annum in sales[14]. Italy and Greece also objected to SA companies using labels "Grappa" or "Oozo" to protect their "traditional" descriptions.[15]

2.4.3 *Fisheries*

The main obstacle to South Africa reaching agreement on fisheries with EU was the attitude of Spain. Spain vetoed SA accession because of the worry that the linkage was undermined by EU.[16]

Although SA objected to these protectionist measures she eventually gave in. Her gains appeared pyrrhic at best. In view of this it is difficult to see how socio-economic concerns of the majority would be enhanced by the Trade Pact. It is therefore not surprising that COSATU is questioning the wisdom of the deal.

2.5 IMPLICATIONS FOR THE REGION

It must be said that SA has the most powerful economy in Southern Africa. The country also has a huge trade surplus not only in the region but throughout the continent as well. Considering these factors, TDCA will impact hugely on regional economies. There is also a fear that the Pact will enable EU companies to use SA as an export base from which to make inroads into other Southern African markets thereby damaging local infant industries. SADC states also fear that EU exporters will gain access to the SA market on better terms than those available to them.

In an attempt to make SA move in concert with other SADC countries, a Maseru summit endorsed a Protocol on the creation of an SADC Free

Trade Area in 1996.[17] According to Graumans, although SADC Trade Protocol does not contain details on liberalisation schedule, it however sets out a framework for FTA over eight years period ending in 2004.[18] SADC Trade Protocol however provides for tariff barriers to be dismantled at variable speeds.

For SA, it means giving least developed countries such as Lesotho, Mozambique preferential and asymmetrical access to her markets before they open up (i.e. fully) their markets to SA goods. Article 28@ of the SADC Trade Protocol stipulates that any preferences granted to the EU by South Africa be extended to the SADC as well. [19]

According to Mayer the rationale for SA to enter into Trade Agreements with EU and SADC is two - fold. The first reason is that " South Africa's interest and objectives in the southern Africa are guided by the existence of strong linkages between the domestic and regional economy. As the market for a large proportion of South Africa's high value-added exports, the growth of these domestic industries is inextricably linked to the growth of the region's economies".[20] Secondly it " endeavours to ensure that Southern African region is economically prosperous and politically stable."[21] SA basically entered into the Trade Agreement with the EU to gain preferential market access and to attract higher flows of investment from the EU. SA supported SADC FTA to enable member states to get special access to her markets and to encourage investment, growth and development in these states. Important to consider is the impact of TDCA on the SA Customs Union member-states.

2.6 ***SACU AND TDCA***

The South African Custom Union (SACU) was formed to pursue regional trade and co-operation among member states. The members of SACU are South Africa, Botswana, Lesotho, Namibia and Swaziland. One of the basic objectives of SACU is to create a Common Revenue Pool (CRM). The CRM is created by pooling of customs, excise, import surcharges and sales duties. The 1969 SACU Agreement allows all other members to receive much higher proceeds from CRM than SA. Furthermore SACU promotes intra and extra-regional trade, common external tariff and protection of their infant industry.[22]

The EU-SA agreement implies that SACU, like the rest of SADC, stand to lose their preferential access to South African markets and will therefore have to compete on an equal basis with highly competitive and often subsidized EU exporters. This would make a mockery of South Africa's effort to restore and preserve the integrity of the common customs union...[23] It would have been better for the economies of SACU and SADC countries if the SADC protocol had been operational before the

EU-SA TDCA. This would at least have given SADC countries an opportunity to adjust. It would also serve as a cushion against any negative impact emanating from the EU-SA TDCA. As it stands the EU-SA Trade Deal will lead to SADC losing substantial tariff revenue. Needless to say such revenue loss appears insignificant for developed countries but monumental for LDC's in the region. Importation of cheap EU products would also exacerbate revenue loss. Massive social dislocation will also result. For example, there will be massive job losses adding to the already high unemployment, crime will escalate, mass poverty will deepen further. The fact is SACU and SADC countries will benefit litle from the EU-SA TDCA. Moreover, SADC and SACU countries were unable to effectively redress their socio-economic problems under the Lome Convention. How will they do under stringent trade demands of the TDCA? TDCA require reciprocal opening of economies while Lome Convention did not.

We shall now proceed to analyse views of major stakeholders in the economy.

CHAPTER THREE

3.1 SACOB ON THE TDCA

This chapter examines the views of SACOB on the TDCA. One of the objectives of SACOB is to represent and advance the interest of business in South Africa. As is well known, the overall interest of the business sector is to maximize profit. Thus a point can be made that what drives SACOB to accept the TDCA is certainly not job creation but profit maximization. It is common knowledge that the interests of business in RSA contradict of organised labour. Arguments made by SACOB should be seen in this context. Although SACOB takes cognisance of the fact that other problems may arise from TDCA, it however emphasises the positive benefits. Overral SACOB argues that there is more to be gained from TDCA than to be lost. Coincidentally SA government shares these sentiments.

3.2 ARGUMENTS IN SUPPORT OF THE EU-SA TRADE AGREEMENT

SACOB perceives the agreement as an opportunity to be optimally utilised. Thus Laidler observed that "[T]his is a good agreement- an agreement which benefits both SA and the EU and forges a unique relationship between two sides which will last well into the future".[24] For Laidler "the deal comes out tops, it is mutually beneficial".[25]

Neil van Heerden (Chairperson of the Board of Institute for European Studies and Director of SA Foundation) concurred when he submitted that TDCA

- establishes a bridgehead or access to the largest, most prosperous and stable trading block in the world, with an open-ended time frame and a provision for review after five years;
- is unique because it is the first of its kind outside the EU and includes agricultural products;
- improves the trading environment by providing a measure of certainty - an aspect of great importance to business;
- provides leverage for expansion of existing industries and establishment of new ones since lower tariffs on imports would attract domestic and foreign investment;
- rewards entrepreneurs and creates jobs;
- provides a real test of competitiveness
- provides for a Co-operation Council which will be a point of institutionalized contact and review - this is a considerable improvement over the current situation;

- includes safeguards against import surges which threaten domestic producers as well as non-reciprocal provisions for South Africa to take exceptional measures to protect infant industries;
- could add at least one percent to South Africa's gross domestic product over the next four to five years and add R12 billion in new trade of which R7 billion will be in South Africa's favour and
- adds EU continued development assistance to South Africa.[26]

Van Heerden is however not oblivious to problems that may arise. In this vein he contended that

- whereas South Africa's exports constitute only one percent of the EU imports, one third of South Africa's total imports come from the EU, making the economy more exposed to the negative consequences of the Agreement;
- the issue of non-tariff barriers to trade is not directly addressed in the Agreement;
- the Agreement makes provision for companies that enjoy a dominant market position to challenge restrictive laws. However the nature of South African economy suggests that EU companies would be in a relatively strong position to challenge mergers and take-overs here, whilst South African companies will be less successful in this area when their interest are threatened in the EU; and

- there is serious concern about the capacity of South African customs and related authorities to police the Agreement which could be used by third parties to gain preferential access to her markets.[27]

Wakeford (Chief Executive Officer of SACOB) agreed that the pact could benefit SA business. In substantiating he pointed to the following positive factors; that the Agreement

- diminishes barriers to trade;
- forges strategic long-term trading links between South Africa and the European Union, the world's largest and most dynamic economic and trading block;

- encourages trade links and secures a long-term reciprocal relationship between parties, particularly in the area of industrial products which could form the basis of future growth in SA;
- reinforces technological and economic links that support socio-political stability of the Southern African region as a whole and
- provides for open-ended assistance for development co-operation, and allow for a greater degree of SA involvement in program implementation.[28]

These sentiments are shared by the Trade, Development and Industry Minister Alec Erwin. In elaborating on the role of Small, Medium, Micro

These sentiments are shared by the Trade, Development and Industry Minister Alec Erwin. In elaborating on the role of Small, Medium, Micro Enterprises' (SMME's) the Minister contended that the deal offered a lot of opportunities for Black business and the country's Small and Medium Enterprises. It would open up the hitherto hard-to-penetrate European market for SA goods and encourage Black empowerment companies into the export market. Furthermore the lowering of tariffs would make it easier for high cost and labour intensive SA goods to enter the EU market.[29]

CHAPTER FOUR

4.1 COSATU ON TDCA

This chapter focuses on COSATU's perception of the TDCA. As a labour federation COSATU is obligated to protect and promote the rights, interests and aspirations of workers. This includes the strategic objective of improving the material conditions and living standards of working people in general. Thus COSATU'S approach is informed and based upon the objective material realities of its constituency. TDCA, for reasons, discussed below, will not address various concerns of the workers.

Firstly COSATU argues that TDCA will lock SA into a particular mode of production; of producing and exporting primary products rather than secondary goods. Secondly tariff liberalization and export orientation strategies will not improve unemployment. In fact they will exacerbate it. Liberalization will encourage unregulated competition and thereby displace infant industries. For COSATU, SA business will, despite its unreserved support, lose from TDCA while the EU will derive huge benefits.

Accordingly it argued that any agreement should be predicated upon the urgent need of redressing fundamental material needs of the majority in the country. For it, the size (volume) as well as substance of trade flows is very important.[30] The impact of trade flows on the general economy is of great importance. If the Pact were to lead to a situation where SA is forced to export more primary than industrial products then for COSATU that would be counterproductive. This would lead to the suffocation of SA's infant industries.

Importing labour-intensive manufactured goods would deepen SA's balance of payment problems. [31] In addition, this would have secondary role of intensifying and exacerbating the extremely high unemployment rate.[32] COSATU'S misgivings are encapsulated in Jachia's (UNCTAD) investigation which revealed that " the impact of the ... Agreement on bilateral trade ... is likely to be uneven".[33]

Similarly Davies asserts that " there is a danger of trade diverting effects swamping any positive ones ...."[34] Institute for Development Studies (University of Sussex) is of the opinion that TDCA would impact differently on sectors of the economy. As far as the non-agricultural sector is concerned there will be some relative improvement in the market position of EU than for SA. This will be brought about by the fact that protection in EU is much higher.[35]

On the Agricultural sector "given the overral supply in the EU and the volumes currently supplied by South Africa , it (TDCA) is not likely to improve access and trade volume for the latter."[36]

COSATU concludes that the outcome of its investigation revealed that SA industries do not have the capacity to seize opportunities created by TDCA immediately. The Agreement is without equivocation in favour of the EU moreover EU's ability to protect its industries and agriculture.

4.2 ON TARIFF LIBERALIZATION AND EXPORT ORIENTATION

COSATU criticized the Agreement because of its insistence upon liberalization and export orientation. These policy approaches have led to use of capital rather than labour intensive production methods and lack of government support for indigenous fledging and infant industries. Liberalisation therefore stunts the growth of SA industry.

For COSATU there is no "correlation between tariff reduction, employment creation and increased efficiency."[37] This observation contradicts GEAR's assumption that "increased competitiveness will lead to increased exports, which in turn will lead to increased job creation."[38]

COSATU argues that "the assumption that increased competition from cheaper imports will lead to greater efficiency in domestic production is flawed."[39] Many SA's industries are inefficient particularly at managerial level. They require thorough restructuring in order to be competitive at international level.

Instead of liberalisation COSATU proposed certain protective measures to "nurture and protect" SA infant industries. These are;

4.2.1 Import substitution

Import substitution refers to " [T]he curtailment of foreign imports and the production of local substitutes ..." where "the country could, by supplying the market from local sources, save foreign exchange and promote domestic industrialisation."[40] For COSATU the import substitution strategy has greater potential in decreasing underemployment especially in relation to export promotion. This strategy is preferred since it has the potential to make more goods available than would normally allow in the absence of import substitution. COSATU points out that it (import substitution strategy) has a greater potential to employ labour intensive techniques.[41] The strategy encourages industrialisation and greater job creation.

4.2.2 Active tariff policy

Active tariff policy would mean the authorities would be forced to protect industries which loose their competitiveness.[42] The policy implies deliberate policy objectives and strategies aimed at directing the economy, prioritising and nurturing certain industrial sectors. For COSATU, the government should use tariffs strategically, reducing them to improve competitiveness, but also increasing their capacity to protect jobs and promote industrial development. The government should also review tariff reductions that have negative effects. In this vein measures should be put in place to find new work for labourers affected by tariff reduction.

4.2.3 *Increased investment in research and development.*

The government should provide resources to conduct research and forge partnerships with other national and international research institutions. The importance of an on-going research is to time impact on industrial and agricultural sectors. This would allow timely adjustment in strategic industrial development.

4.2.4 Industrial and agricultural support

For COSATU the SA government should identify industrial and agricultural sectors that need support and protection. These should be supported through various governmental interventionist measures as subsidies and price regulation.

4.3 Anticipated consequences of the Agreement

4.3.1 Unemployment

COSATU points out that the implementation of Agreement will lead to massive unemployment and exacerbate the current problem of employment maintenance.

4.3.2 Dumping of agricultural products on SA

EU gives subsidy of "40 000-00 ECU per annum" to its farmers and agricultural processing industries. This situation creates problem for SA agricultural exporters who have to compete on international markets. It also reflects the protectionism and unfair trading practices associated with the EU's Common Agricultural Policy (CAP).[43]

For COSATU these subsidies present a major obstacle of access to markets and employment opportunities. Dumping of surplus produce by European farmers is likely as well.[44]

4.4 INCREASED NON-TARIFF BARRIERS

Despite its all trade liberalisation the EU has put in place a number of tariff and non-tariff barriers as:

- bureaucratic customs and administrative entry procedures;

- technical barriers to trade;
- charges relating to imports; and
- Government aid, including subsidies.[45]

Collectively these barriers work to blockade entry of SA goods to the EU market. This does not have positive consequences to SA exporters.

4.5 DEALING WITH NEGATIVE CONSEQUENCES OF TDCA

4.5.1 Support for industrial restructuring

Realising that TDCA would impact negatively on SA-EU trade relations, COSATU proposed the measures that could be put in place to deal with these adversities. These measures should be instituted to protect SA government and big business interests as well as of organised labour. These could include, COSATU proposes, restructuring and setting up funds jointly managed by government, business and labour. Included here should be investment incentives, technical assistance and skills development for workers.[46]

There should also be monitoring mechanisms for problems as dumping and displacement of SA industries.[47] The government should develop mechanisms to deal with EU's non-tariff barriers. In doing this, the best interests of organised labour should be borne in mind.

CHAPTER 5

5.1 SIGNIFICANCE OF THE STUDY : LESSONS FROM THE EU-SA TDCA

This chapter focuses on lessons learnt from the EU-SA TDCA. COSATU is of the view that SA entered negotiations without sufficient consultation and prior checks on what the probable effects of the deal would be on its economy. Negotiations were finalised without overall quantitative and qualitative impact assessment having been concluded.[48]

Accordingly COSATU postulates that the following procedural steps should have been followed prior to conclusion of the Agreement, namely that:

- macro qualitative and quantitative study should have been mounted to assess the likely impact of the TDCA, including the capacity of domestic industry to take up export opportunities provided by the Agreement; and
- other studies to examine the likely impact of the Agreement upon specified economic sectors and geographic regions of the country should also have been undertaken.

Other significant and related procedural steps about the Agreement should have been;

(1) the EU-SA relationship is unequal. EU is more powerful than SA and has more economic capacity to exploit the latter's markets.

(2) that any trade Agreement entered into by SA should alleviate the socio-economic circumstances of the majority,

(3) that SA government undertake research and engage other independent research institutions to asses the likely impact of the Pact on the economy. Research should have included comparative studies and history of other similar Agreements,

(4) that SA government should have solicited the support of workers and organised labour. This would have bolstered the political profile of government and won it critical grassroots support. The government should have created community-based forums to debate and exchange ideas about the Agreement. Political benefits of such undertakings are obvious, and

(5) that increasing of unemployment calls on government to set aside funds to absorb shocks. These funds would be utilised to finance the relocation costs of industries that face and survive international competition.

5.2 *CONCLUSION*

In conclusion, there are obvious contending perceptions on the EU-SA TDCA. SA business and labour views diverge quite significantly. Although the business sector acknowledges some shortcomings associated with the trade pact, they however view it critical for the SA economic growth and development. For business the deal holds opportunities that should be exploited energetically.

COSATU on the other hand views the deal differently. For it TDCA will not address escalating socio-economic problems in the country. In fact it will only worsen them. SA, as far as this Union federation is concerned, has and is obligated to protect her growing industries. If any liberalization should come it should be in response to organic socio-economic needs of the country. Leralisation should allow agriculture and business to properly adjust and achieve competitive edge on international markets. By this COSATU insinuates that growth that compels SA to open up her economy hastily and haphazardly should be discouraged.

The manner in which EU-SA negotiations were conducted and desperate efforts made by EU to protect herself mean the former would not secure favourable trade deals. It would have been better if SA had secured favourable deals in order to address her structural and historical economic ills. This could have been even much better for SA neighbours, SACU and other non-SACU - SADC countries dependent on SA. The EU-SA Agreement compels these countries to open themselves up for competition with economic giants as the EU. Obviously this cannot bode well for them and their economic well-being.

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