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RELATIONS BETWEEN SOUTH AFRICA AND THE UNITED STATES OF AMERICA (USA)

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1. Introduction

According to the South African Department of Foreign Affairs (DFA), South Africa has good diplomatic, trade and economic relations with the USA. DFA also notes that both countries are committed to, inter alia, the international promotion of human rights, the promotion of international trade, the prevention of the proliferation of weapons of mass destruction and the elimination of illicit trafficking in narcotics.¹ South Africa and the US also share a confluence of values in important areas such as democracy, the rule of law, good governance, and the peaceful resolution of conflicts in Africa.² This view of cordial relations is echoed in a report published by the Congressional Research Service (CRS). The CRS report also stated that in the 1990s, the USA commended South Africa's economic policy of Growth, Employment and Redistribution (GEAR), as it demonstrated commitment to the principles of open markets and privatisation.³

However, while the above is the case, and indeed there are a number of shared values, the relationship between the two countries has also had some challenges owing to what may appear as different priorities and approaches to resolving and dealing with international challenges. And these differences in approach to important questions of international relations have been more pronounced in the United Nations Security Council (UNSC). A few cases to illustrate this point would be, in January 2007 South Africa voted against a USA-Government drafted resolution on Myanmar and in May 2007 it abstained from a vote on a USA-Government sponsored resolution to establish a tribunal for political killings in Lebanon.⁴ While the USA Government was one of those countries that favoured immediate sanctions, South Africa had opted, until very recently, for engagement with Iran. When responding to questions about relations between the two countries, the US Secretary of State for Africa, Jendayi Frazer, was quoted as having said "It's been a rough patch... *Partly because they see themselves as a global power. Partly because they see themselves as the voice of the developing world.*"⁵

Drawing from the above assertions, this paper provides an overview of relations in the area of trade and economics between the two countries. In the context of the USA's interests in Africa and South Africa's ongoing role in the continent, the brief will also delve into how the relations between these two countries play themselves out in the broader African continent.

¹ South African Department of Foreign Affairs, Bilateral Relations, United States of America, sourced from: www.dfa.gov.za/foreign/bilateral/usa.html. On 2007/14/09

² South African Department of Foreign Affairs, Bilateral Relations, United States of America, sourced from: www.dfa.gov.za/foreign/bilateral/usa.html. On 2007/14/09

³ Ploch, L. 2007, South Africa: Current Issues and U.S. Relations, CRS Report for Congress, 30 August

⁴ Zacharia, J. 2007. Letter from South Africa: The U.S. Finds and Antagonist in a Country on the Rise, International Herald Tribune, sourced from: <http://www.iht.com/articles/2007/06/26/africa/letter.php> on 2007/15/09

⁵ Zacharia, J. 2007. Letter from South Africa: The U.S. Finds and Antagonist in a Country on the Rise, International Herald Tribune, sourced from: <http://www.iht.com/articles/2007/06/26/africa/letter.php> on 2007/15/09



Among a number of sources of USA Government's financial assistance towards Africa, the Millennium Challenge Account/Corporation (MCA/C) is an important source. Among other things, support to Nepad is envisioned as going to come from the MCA/C. On the other hand, since the Account was launched in 2004, a number of African countries such as Lesotho, Mozambique, Kenya and Ghana have been able to access "grants not loans" for their socio-economic development.⁶ While the MCA/C issues grants and not loans, these come with certain



2. Bilateral Trade Overview³⁶

One of the frameworks that have contributed to trade between the two countries is the African Growth and Opportunity Act (AGOA), which is a USA-Government's initiative aimed at boosting trade and market access to the USA for designated Sub-Saharan African (SSA) countries. The Act originally covered an 8-year period from October 2000 to September 2008, but amendments signed into law in July 2004 further extend AGOA to 2015. Products that are traded under AGOA include items such as apparel and footwear, wine, certain motor vehicle components, a variety of agricultural products, chemicals, steel and so forth. At the same time, a special dispensation relating to apparel was extended by three years to 2007.

South Africa is one of the USA's leading trading partners in Africa, and accounts for the most diverse trade flows. Total trade between the two countries has been increasing steadily in recent years, with South Africa holding an increasing trade surplus since 1999. This amounted to \$3,3 billion in 2006. US exports to South Africa far exceed US exports to any other country from SSA, emphasising the importance of the latter's access to the South African market. In terms of SSA exports to USA, South Africa's exports rank second after those of Nigeria, with Gabon's exports being in third position. However, the latter two countries' AGOA exports consist mainly of energy-related products (mostly oil), whereas South Africa's AGOA exports were highly diversified.

Furthermore, exports qualifying under AGOA amounted to \$1,8 billion in 2006 (2005: \$ 1,5 billion), although this figure includes exports under the Generalized System of Preferences (GSP) programme, of which AGOA is essentially an extension. Exports of products that were added under AGOA amounted to \$717 million in 2006 (2005: \$455 million). Of South Africa's exports of textiles and apparel to the US in 2006 (\$47 million), \$42 million were AGOA-eligible items. According to full year 2006 data, key export sectors under AGOA were 'chemicals and related', 'minerals and metals', 'transportation equipment' and 'agricultural products'.

Furthermore, the two countries have an established bilateral relation in the form of the SA-US Bilateral Cooperation Forum (BCF). The BCF replaced the Bi-National Commission (BNC), and some of the key areas covered under the BCF include justice and crime, defence, energy development, health, human resources, housing, science and technology, as well as agriculture.

3. RSA-USA Relations and Africa

The USA is one of the key global players both politically and economically, and as a member of the G8 should be considered as a significant partner in the implementation of programmes such as the New Partnership for Africa's Development (Nepad). The USA Government perceives South Africa as a strategic point of entry in the continent, as this country has been one of the leading initiators of Nepad. Thus, one area of mutual relations is that of socio-economic development in Africa. The USA Government is one of the countries from the north seen to be supportive of Nepad through, for instance, representation in the G8 Personal Representatives Committee tasked with ensuring the implementation of the G8 Plan of Action.⁷

⁶ AGOA .info (2007)

⁷ South African Department of Foreign Affairs, Bilateral Relations, United States of America, sourced from: www.dfa.gov.za/foreign/bilateral/usa.html. On 2007/14/09