GENERAL AGREEMENT ON
TARIFFS AND TRADE

Working Party on
South Africa/Rhodesia
Trade Relations

SOUTH AFRICA/RHODESIA TRADE RELATIONS

Statement by the Rhodesian Delegation on 23 March 1965

My South African colleague has already, in his statement, given the Working Party a comprehensive historical account of the trade relations between Rhodesia and South Africa, and a detailed summary of the general provisions of the new agreement and the provisions relating specifically to the treatment by South Africa of imports from Rhodesia. Thanks to his very full account, I can confine my own statement to the provisions of the agreement concerned with the treatment of imports into Rhodesia from South Africa, and to some expansion of my colleague's explanation of the general background to trade relations between our two countries, as seen from my Government's particular viewpoint.

First of all, let me complete the picture of the agreement itself by explaining Annexure C in a little more detail. This Annexure has no counterpart in the 1960 Agreement, in which the rates of duty set out in Column C (Commonwealth and Ireland) of the Customs Tariff were applied to South Africa, except in the case of goods described in Annexure A. There was, however, a corresponding Annexure in the 1955 Agreement, which was in force on Rhodesia's Base Date for purposes of Article I of the GATT. All the goods described in the new Annexure C were included in the 1955 Agreement, in terms of which they enjoyed preferences the same as, or in many cases greater than those which they enjoy in the new Agreement. A large number of items which, in the 1955 Agreement, enjoyed preferences equal to or greater than those provided in Column D (United Kingdom and Dependencies) of the Customs Tariff do not appear in the new Annexure C and continue, as in the 1960 Agreement, merely to enjoy any preferences which may be provided in Column C of the Customs Tariff. Thus, on balance, for the reasons suggested by my South African colleague, the preferences enjoyed by South African goods in the Rhodesian market are very considerably less than those which could have been accorded in terms of the Decision of 19 November 1960 regarding Base Dates (BISD Ninth Supplement page 46).

I should now like to make some more general comments on the new Agreement.
From the beginning of the development of a modern economy in Rhodesia, a process which still has a very long way to go, the geographical contiguity of South Africa, its much greater size and its much more advanced stage of development has made it essential for trade relations between the two countries to be close, and governed by special arrangements. This must have been brought home to the Working Party very vividly by my South African colleague's historical outline of our past trade arrangements. Of the interesting features which emerge from a study of those past arrangements, there are two which I would wish particularly to draw to the attention of the Working Party. One has been the need for a constant process of revision, to take account of developments in the two economies. The other has been the tendency for a sharp distinction to become established between the type of tariff treatment accorded respectively to South African exports to Rhodesia and Rhodesian exports to South Africa.

The first of these features, the need for constant revisions in the trade arrangements between South Africa and Rhodesia, is the basic reason for our meeting here today. For it is, unfortunately, a fact that the detailed provisions of the General Agreement do not provide a tailor-made answer to enable these revisions to be fitted automatically within its Articles. Hence the rather frustrating need to seek ad hoc answers in each case, and the rather long list of entries in Basic Instruments and Selected Documents under the names of our two countries. It is, I must say at the same time, a tribute to the secretariat, to contracting parties who have given up much time and effort in successive working parties and to the CONTRACTING PARTIES, that solutions have always been found to these difficult technical problems. I wonder, though, whether I am too optimistic to hope that, this time, in this Working Party, we shall be able to find a rather less formal and legalistic, rather less cumbersome, and rather more simple answer than those we have been able to find in the past.

Turning to the second of the features I mentioned earlier, the different types of tariff treatment in the two trade directions, I come to an aspect which should be of particular interest to members of the Working Party with important trade interests in our two markets. As far as Rhodesia is concerned, its basic aims in its trade negotiations with South Africa have long been the same. Firstly, it has sought access for the still-limited range of its potential exports to South Africa on the basis of duty-free and unrestricted entry. Secondly, it has had to put itself in a position to protect its own producers against competition from South African producers. The reason for both aims is the same; South African producers operate in nearly all fields in which there is production in Rhodesia, and they are generally more advanced, operate on a larger scale in a larger market and enjoy, because of geographical contiguity and lines of communication, even in the Rhodesian market, much the same advantages, where these are significant, of proximity to market.
It is the first of these aims which produces most of the technical GATT problems arising from our successive trade agreements, including the present one. Because, to give Rhodesia free entry, South Africa must create, but only incidentally, technical preferences. But I would ask our mutual trading partners to put these technical preferences in perspective. On the items concerned, Rhodesia is essentially competing, not with other outside suppliers, but with other South African domestic producers. It is not a preference against other external suppliers which Rhodesia seeks, but the ability to compete on level terms, or rather level tariff terms, with South African producers. Even on such terms, to compete in other respects is not easy.

I would expect our trading partners to be very much more concerned in the practical sense, with the position which South Africa enjoys in the Rhodesian market. Here, as I have already pointed out, the concessions in the new Agreement fall short, by a very considerable margin and over a wide range of goods, of those permissable in terms of the Base Date Decision of 19 November 1960. All our other external trading partners are thus, in terms of the new Agreement, in a very much better position than they could have been placed in terms of the GATT, in relation to competition in our market with South African exporters.

Finally, may I be permitted to stress to the Working Party the vital rôle which this new Agreement plays in the context of the continued health and future development of Rhodesia's economy, and especially that of its manufacturing industry. South Africa constitutes one of Rhodesia's very few substantial existing and potential markets for exports of manufactures. The access which the new Agreement provides for such exports is destined to play an important part in assisting Rhodesia to develop and diversify its economy, increase employment, particularly for unskilled and semi-skilled workers and generally improve the standard of living of its inhabitants. My Government has submitted this Agreement to the CONTRACTING PARTIES for examination, with confidence that it is, and will be found to be, fully in the spirit of the General Agreement.