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India aims for trade deals with Africa

Agence France Presse

9 August 2011: India said on Tuesday it expects to reach a preferential trading deal with the Southern African Customs Union by the end of the year as it seeks to expand its economic footprint on the African continent. India's trade minister also said New Delhi will be pursuing trade deals with other African nations as the country seeks to catch up with China which has outpaced it in trade and investment in the continent over the past decade. "India is keen to partner with countries in Africa not only for buying minerals but also for providing technology for mining and exploration," trade minister Anand Sharma said in a speech in the Indian capital. India and China have turned to Africa in their search for energy resources to power their fast-paced economies, but while China prefers government-to-government deals, Indian investment is mainly in the private sector, notably in telecom, pharmaceuticals and manufacturing. "We are engaged in a dialogue with the Southern African Customs Union (SACU) for concluding a preferential trading agreement and I am confident we shall be able to do so by December," Sharma said. SACU, made up of South Africa and its four smaller neighbours Botswana, Namibia, Swaziland and Lesotho, is the world's oldest customs agreement. New Delhi is also going to start exploratory talks with the Common Market for Eastern and Southern Africa (COMESA) and the Economic Community of West African States (ECOWAS) on the potential for free trade pacts, Sharma added. Annual trade between India and Africa increased 15-fold within a decade to \$46 billion in 2010 from \$3 billion in 2000. "The government is determined to achieve a target of \$70 billion in trade well before 2014," Sharma said. New Delhi was also committed to working "with our partners in Africa for addressing the infrastructure deficit" in the continent, Sharma added. Sharma's speech came after Indian Prime Minister Manmohan Singh attended a trade summit in May in the Ethiopian capital Addis Ababa and offered a raft of measures, including \$5 billion in credit lines, to boost India's presence on the continent.

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IBSA plan to accelerate trilateral FTA talks

Sandeep Dikshit , The Hindu

Anand Sharma offers to host the first annual trilateral meeting in New Delhi in March next

19 October 2011: In an attempt to accelerate talks on a trilateral free trade agreement (FTA) , the India-Brazil-South Africa (IBSA) Summit that ended on Tuesday decided to hold an annual meeting of trade ministers from the three countries beginning from March next year. Commerce and Industry Minister Anand Sharma has offered to host the first annual trilateral meeting in New Delhi in March next.

The analysis at the IBSA meet is that trilateral trade has done well despite the 2008 economic slowdown and its aftershocks, including the prevailing uncertainties in the eurozone.

\$25 b trade by 2015

Trilateral trade is already close to \$20 billion, having crossed the target set for 2012 three years earlier than envisaged. India's trade with its trade partners in IBSA accounts for a majority of this trade. The leaders at the IBSA summit felt that the trends indicated that the target of \$25 billion trade by 2015 would be achieved early, and "this gave reasons to be optimistic and more ambitious," said an official note.

The leaders tasked the Working Group on Trade and Investment to examine all issues related to trade holistically, including issues relating to non-tariff barriers, maritime and air links and opportunities for investments. Direct air connectivity is expected to give tourism a major boost and the trade ministers agreed to look at the visa related issues so that the process for business visas is made easy. The three trade ministers also interacted with the IBSA Business forum a day earlier.

To set up technical team

The trade ministers also decided to set up a technical team under the IBSA's working group on trade and investment to reconcile trade data and devise a common reporting format. Due to different methodologies of capturing trade data (calendar year v financial year or CIF or FOB) at times the numbers vary.

The South African and Indian trade ministers also decided to enter into long-term contracts for purchase of raw materials and commodities, and the recently opened office of MMTC in South Africa has been asked by Mr. Sharma to begin work on this proposal immediately.

The Ministers also felt that with the ratification process of the MERCOSUR SACU FTA advancing, and initiation of the process of deepening of the India MERCOSUR Preferential Trade Agreement (PTA), the deck was now clear for making progress on a trilateral FTA involving India SACU and MERCOSUR.

"This FTA linking developing countries in the three continents is envisaged as one of the most ambitious free trade areas and will be a symbol of growing south-south cooperation," noted Mr. Sharma. His sentiment was shared by his counterparts from Brazil and South Africa.

The three ministers also plan to meet before the WTO's 8th Ministerial conference in mid-December to coordinate their position on all issues relating to the WTO negotiations and to discuss the possible outcomes of MC8 as well as the way forward on Doha Development round.

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Trade pact with South Africa Customs Union by next year

Nayanima Basu, Business Standard

New Delhi November 17, 2011: So far, eight round of negotiations have taken place.

India is expected to sign the much-awaited preferential trade agreement (PTA) with South Africa Customs Union (SACU) by the first quarter of 2012, as both sides are currently engaged in active negotiations on seeking greater access of each others' markets and easier movement of professionals.

SACU consists of Botswana, Lesotho, Namibia, South Africa and Swaziland. Since 2007, negotiations have been on over having a PTA with the grouping. So far, around eight rounds of negotiations have taken place.

“When you negotiate, there is always the aspect of give and take,” said South African Deputy Minister for Trade and Industry Elizabeth Thabethe. “It has to be mutually beneficial for both the sides, taking care of sensitivities on each side. Every country within the union has its own set of demands. We are discussing that. We hope to reach an agreement by the first quarter of 2012 or the second quarter,” she told Business Standard.

Thabethe, who is in India to take part in the India International Trade Fair that began here on November 14, also said the next round of negotiations would take place soon. The progress, so far, has been “considerable”. However, she highlighted that the PTA should yield a win-win situation for both sides and boost bilateral trade and investment.

Under a PTA, the negotiating countries reduce their tariffs on a particular number of products from the level they maintain with countries that are not parties to the pact. Unlike free trade agreements (FTAs), a PTA does not slash or eliminate duties from a large number of tariff lines.

Earlier this year, Minister for Commerce and Industry and Textiles Anand Sharma had indicated that the PTA would initially result in tariff cuts on a specific number of products.

It could be expanded into an free trade agreement (FTA) depending on the progress of the PTA, he had indicated during the visit of South Africa's Trade Minister Rob Davies. Since then, both sides are also discussing a bilateral investment promotion and protection agreement.

Thabethe is to hold a bilateral meeting with Jyotiraditya Scindia, minister of state for commerce and industry.

Both countries have earlier set the target of achieving \$15 billion worth of bilateral trade by 2014 from around the present \$11.12 billion. Thabethe said this target was “attainable” with greater cooperation in the small and medium sector, information technology, infrastructure, rural development and handicrafts.

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S.Africa, India trade to reach \$15 bn before 2014: Zuma

AFP

Johannesburg, May 3, 2012: Trade between South Africa and India will reach the target of \$15 billion (11 billion euros) per year before a self-imposed 2014 deadline, South African President Jacob Zuma said Thursday. The two countries agreed to increase their commercial exchanges during Zuma's state visit to India in 2010. But they are on track to reach the mark ahead of schedule, Zuma said during a return visit from Indian President Pratibha Patil. "We set a target of 15 billion dollars of trade between South Africa and India, to be achieved by 2014. According to current trade statistics this could be reached earlier than anticipated," he told the South Africa-India business forum in the South African capital Pretoria. "The figure by the end of 2011 was close to seven billion dollars. We are on the right path indeed." Africa's largest economy grew 3.1 percent in 2011, but is dragged down by a 23.9-percent unemployment rate. Nigeria, the continent's most populous nation and largest oil producer, was India's largest trading partner at \$10 billion in 2010. "Let me remind you that you are in the right continent at the right time. The African continent is the new frontier of economic growth and development," said Zuma.

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