

International Relations and Cooperation
Budget Vote Speech
Deputy Minister Candith Mashego-Dlamini
10 May 2023

Chairperson of the Portfolio Committee, Honorable Mr Supra Mahumapelo,

Members of the Portfolio Committee

Honourable Minister Dr Naledi Pandor

Deputy Ministers present

The Director- General and Officials of the Department

Ladies and Gentlemen

Honourable Chairperson, it is a great honour and privilege to be given this opportunity to present our Budget vote Speech, on this date in the evolution of our country's democracy. It was on this date in May 1994, when our first democratically elected president was inaugurated. This is the day that brought hope for a better life to the African child and the world at large.

Honourable members, this is the most significant day in the history of our country and the world, therefore, in honouring this important day I hope to present a budget that will bring hope to the masses of this country.

The regions of the world which my work as Deputy Minister is primarily focused on – those being Asia, the Middle East and Africa - abound with opportunities for our country in terms of trade and investment. Given the need to expedite economic diplomacy to meet our urgent domestic needs, we need to capitalize on these opportunities. As the Minister's speech covers the importance of Africa to our foreign policy, I will focus my comments on our relations with Asia and the Middle East.

IORA and IBSA

The Indian Ocean Rim Association (IORA) is making significant strides as a platform for Indian Ocean states. The endeavours of IORA through its working

groups have achieved substantial contributions to skills enhancement, technology transfer, technological simulations and industrial simulations. This work is important for unlocking the oceans economy through localisation and value chain creation.

Brazil has taken over as the new President of IBSA with a promise to invigorate the IBSA formation. The India-Brazil-South Africa (IBSA) Fund has achieved great strides in uplifting the most vulnerable in some African countries, particularly women and children. The Fund has made available over US\$ 4 million which will be rolled out to projects in countries such as Mozambique, Lesotho, Senegal, and the Gambia.

People's Republic of China

South Africa's relationship with the Peoples' Republic of China is underpinned by the *Comprehensive Strategic Partnership*, and the *Ten-Year Strategic Programme on Cooperation (2020-2029)*. The two countries hold regular high-level political engagements, including on the margins of global multilateral fora such as the G20 and United Nations.

This year we celebrate 25 years since the formal establishment of diplomatic ties in 1998. South Africa and China co-operate in multilateral affairs, defending multilateralism, and safeguarding an open and inclusive global trading system. South Africa and China continue to reinforce mutual aspirations of promoting South-South cooperation and development through BRICS and FOCAC.

China remains South Africa's largest global trading partner in terms of total volumes of bilateral trade, with total trade for 2022 topping ZAR614 billion, up from ZAR544 billion in 2021. However, a growing trade deficit with China of ZAR154 billion remains a concern for South Africa, which must be addressed through more aggressive exports of value-added goods from South Africa, and by negotiating greater market access into China for more diverse South African products.

South Africa is grateful for the Jobs Fair that China hosted in 2022, which provided 1000 jobs for South African youth, and China's commitment to create an additional 19,000 jobs over the next three years.

North-East Asia & Oceania

Japan is a substantial investor in the South African economy with investments of over R100 billion, creating around 200,000 local jobs. South Africa co-chaired the SA-Japan 13th Partnership Forum in October last year, and the outcome of discussions is set to advance bilateral relations, as already seen by the visits of senior government officials, including the Minister of State for Foreign Affairs.

With regards to the Republic of Korea (ROK), the First Joint Cooperation Commission was co-chaired in October 2022, and the successful deliberations will lead to stronger bilateral relations. South Africa is Korea's largest trading partner in Africa, and Korea is our fourth largest trading partner in Asia.

South Africa is grateful for the continued support from New Zealand in the form of development scholarships. Co-operation with New Zealand in the fields of agriculture, science and innovation, research, trade and investment, as well as transport is valuable. We look forward to celebrating the 30th anniversary of the establishment of relations between our two countries in 2024.

The 8th Senior Officials' Meeting with Australia was hosted in South Africa in March. The two countries will celebrate 30 years of diplomatic relations in 2024. South Africa is Australia's largest and most dynamic market in Africa, and in 2022 total trade between our countries stood at approximately R34 billion (up from R28.6 billion in 2021), with the trade balance in Australia's favour.

South East Asia

South Africa has launched a major initiative to become a Sectoral Dialogue Partner with the Association of Southeast Asian Nations (ASEAN). We look forward to improved trade and investment cooperation, as well as building strategic partnerships for mutual and regional prosperity.

Malaysia, Thailand, Vietnam, Singapore, and the Philippines will all be celebrating 30 years of formal diplomatic relations with South Africa this year. Structured bilateral mechanisms with these countries are instrumental in terms of strengthening trade and investment cooperation.

South & Central Asia

South Africa and India will also be celebrating 30-years of formal diplomatic relations this year. India is currently also one of South Africa's largest trading partners in Asia. South Africa is to host the next Joint Ministerial Commission (JMC) this year. South Africa participated in investment and trade conferences held by both India and Pakistan.

Pakistan hosted the Third Pakistan Africa Trade Conference in November 2022. South Africa commends Pakistan for implementing a new policy it terms "Engage Africa", which is driven by the Ministry of Commerce, Textile, Industry, Production and Investment, and supported by the Ministry of Foreign Affairs of Pakistan. We welcome this initiative by Pakistan to build new partnerships for mutual development with the African continent.

The Sri Lankan Foreign Minister, Mr Ali Sabry led a delegation from Sri Lanka on a study visit to South Africa in March this year to learn from South Africa's

Truth and Reconciliation Process. This is a continuation of the support South Africa has provided towards national reconciliation and nation building.

The Bangladeshi Minister of State for Foreign Affairs, Mr Shahriar Alam visited South Africa in February this year. He inaugurated the “Made in Bangladesh” Exhibition at the Sheraton Hotel, and we held bilateral meetings.

The Gulf

We are deeply appreciative of the humanitarian assistance countries in the Gulf region have provided to our country - notably with the floods in KwaZulu-Natal. Countries in the Gulf region have become critical contributors to the implementation of the Economic Reconstruction and Recovery Plan. Various high-level visits, including the visit by President Ramaphosa to the Kingdom of Saudi Arabia in October last year have served as a catalyst to increase investment as well as trade and economic linkages with major economic powers in the region.

Syria, Lebanon, Jordan, Iraq

South Africa has increased its frequency of engagement with countries from the Levant region, and is in the process of expanding our legal frameworks of closer collaboration with countries like the Hashemite Kingdom of Jordan, the Syrian Arab Republic and Lebanon.

In response to the humanitarian crisis following the devastating earthquake that hit Syria on 6th February this year, South Africa made a contribution of R5 million through the International Committee of the Red Cross earmarked for Syria. South Africa is also exploring other avenues to assist with the medium to long term rebuilding of Syria.

Palestine/Israel

South Africa continues to consolidate bilateral relations and engagements with the State of Palestine.

In conclusion, as South Africa, we must redouble our efforts to expand our trade and investment ties with the Asia/Middle East region if we are to succeed in achieving our goal of bringing large scale investment to our country which will stimulate economic growth and create jobs. Our diplomats have made this a priority going forward, and we look forward to fulfilling our mandate.

The former President of the republic of south Africa, President Nelson Mandela once said and I quote **“Our struggle for freedom and justice was a collective effort. It is in your hands now to create a better world for all who live in it”** close quote

I thank you.