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International Cooperation, Trade and Security Cluster briefing

13 December 2016

"Create a better South Africa; contribute to a better and safer Africa in a better world"

Ministers
Deputy Ministers
Directors-General
Senior managers
Members of the media
Ladies and gentlemen.

Welcome to this briefing by the International Cooperation, Trade and Security (ICTS) Cluster.

Today we will be providing you with a quarterly progress report covering up to the end of September 2016, on the implementation of the Medium Term Strategic Framework (MTSF) 2014-2019.

The MTSF is government's five-year action plan as part of the implementation of the National Development Plan (NDP).

The NDP is our country's roadmap towards eliminating poverty and reducing inequality and growing the economy through uniting South Africans, unleashing the energy of its citizens, building capabilities, and enhancing the capability of the State and leaders working together to solve complex problems."

To realize our collective aspiration of a South Africa in which decent employment is created through inclusive economic growth, and in fulfilment of our electoral mandate, we have developed an outcomes-based approach to our Programme of Action as government.

We have identified 14 Key Outcomes with outputs, strategic activities and metrics that are implemented though Service Delivery Agreements, to enable us to translate our desired outcomes into action.

The ICTS Cluster is responsible for implementing Outcome 11 namely to "Create a better South Africa, contribute to a better and safer Africa in a better world".

In line with our commitment to transparency and participatory democracy, the different clusters of government have undertaken to provide regular and concise reporting back to the nation on the progress made in achieving the respective outcomes.

Today we will be providing you with a progress report on the work done by the ICTS Cluster in the following areas respectively:

- Economic Diplomacy
- Trade and Tourism
- Regional Integration
- Peace and Security, and
- International Cooperation

We are all proud that during the period under review the ICTS Cluster has made significant progress towards the realization of Outcome 11.

It is important to note that this progress has been made in the midst of a trying economic climate both domestically and globally.

The reality is that the global economy and the economies of developing countries in particular face a number of challenges at present. Nevertheless, as a country we have managed to register notable progress in trade and investment and tourism within the region, continent and globally.

ON ECONOMIC DIPLOMACY, TRADE AND TOURISM

Ladies and Gentlemen,

Economic diplomacy is a key aspect of the work done by this cluster. To this end, South Africa continues to accelerate its economic diplomacy efforts at a regional, continental and global level.

This we have achieved by creating new trade opportunities, increasing investment in regional, continental and global markets, and overall deepening economic ties with both new and established trade partners.

One of our priorities is to achieve a number of bilateral and multilateral agreements through which we will promote, facilitate and host meetings with potential investors; as well as engaging with various Chambers of Commerce.

In furtherance of our aim to promote South Africa as an investment destination of choice, South Africa has enhanced its visibility on national and international trade, investment promotion and tourism platforms.

This has yielded real and tangible results. For example, sales of manufactured valueadded exports have increased by R1.2 billion, bringing the cumulative total for the year to R 3.8 billion. Furthermore, as noted in last week's Cabinet statement, "the Foreign Direct Investment (FDI) inflow pipeline represents potential FDI of R13.1 billion, particularly in the energy and chemicals sectors. This brings the total potential FDI to R30 billion."

Ladies and Gentlemen,

According to the United Nations Conference on Trade and Development (UNCTAD) recent lacklustre growth in the global economy has seen FDI inflows globally declining by 16 per cent in the last year. We have experienced growth of FDI inflows irrespective of this.

The NDP identifies international tourism as a main driver of employment and revenue generation. Marketing South Africa as a premier domestic and international tourist destination has been central to our economic diplomacy efforts.

We are pleased to say that tourist arrivals figures went up by 14,8% in 2016 compared to the same period in 2015.

It is extremely encouraging that during the first months of 2016, approximately R 39.3bn in foreign direct spend in South Africa was achieved. The realization of this kind of revenue sustains the local tourism economy. It also indicates that our country remains a popular destination for tourists in South Africa, from the region, and globally.

ON REGIONAL AND TRADE INTEGRATION

South Africa continues to prioritise its relations with fellow African States. This is in line with our country's commitment to advancing Agenda 2063 of the African Union (AU). Agenda 2063 is founded on the principles of shared prosperity and well-being, unity and integration.

We see regional and trade integration as a major building block for continental unity. In this reporting period, President Jacob Zuma actively engaged his counterparts in cementing our country's bilateral relations with Namibia, Kenya, Zimbabwe and Botswana.

The engagements were about evaluating how far we have come with regards to the regional integration programme. Under consideration is integrated infrastructure development programmes in amongst others, sectors of water, roads and energy, the movement of goods and services, evaluating trade flows, as well as the movement of people which includes skills capacity sharing and development.

In pursuit of our regional and trade integration efforts, the Southern African Customs Union (SACU) remains an important instrument for industrialisation and economic development.

SACU is the world's oldest customs union with the primary goal of promoting economic development through regional trade. It consists of five member countries –Botswana, Lesotho, Namibia, Swaziland and South Africa.

To advance the implementation of the regional development and integration agenda, President Zuma, in his current capacity as chair of the SACU Summit, conducted working visits to the other SACU member states.

These visits by President Zuma were aimed at amongst other things unlocking existing challenges in the following areas:

- cross-border infrastructure
- addressing supply-side capacities and
- promoting industrial development and value chains to stimulate regional growth and development

South Africa supports the continued operation of the Tripartite Free Trade area between the Common Market for Eastern and Southern Africa (COMESA), Southern African Development Community (SADC) and the East African Community (EAC).

The Tripartite Initiative is aimed at strengthening the economic integration of the southern and eastern Africa region. It is envisaged it will serve as a building block for the Continental Free Trade Area.

The COMESA-EAC-SADC Tripartite free trade agreement provides preferential market access for South African products to a market of approximately 700 million people and a combined Gross Domestic Product (GDP) of US\$2 trillion.

As part of regional trade cooperation, Trade Invest Africa was launched in July 2016 to facilitate the implementation of an outward investment-led trade strategy into the rest of Africa.

In addition, agreements that promote economic cooperation on industrial and infrastructure development with other African countries, have also been negotiated.

SADC hosted its 36th Ordinary Summit of Heads of State and Government in Mbabane, Swaziland from 30 to 31 August 2016.

The Summit was convened under the general theme of "Resource Mobilisation for Investment in Sustainable Energy Infrastructure for an Inclusive SADC Industrialisation and for the Prosperity of the Region."

The summit dealt with a number of key issues affecting the region's industrialization and economic development, chiefly around energy and infrastructure development. There was consensus that member States should work jointly to identify priority infrastructure and energy projects to be implemented as part of the Revised SADC Regional Indicative Strategic Plan.

The summit also elected South Africa as the Incoming Chair of SADC and we will host the 37th Ordinary SADC Summit of Heads of State and Government in August 2017.

ON PEACE AND SECURITY

South Africa continues to contribute to peacekeeping on the continent as well as to maintaining its current commitments as per the decisions of the African Union Peace and Security Council and the United Nations Security Council (UNSC).

We continue our participation in the UN Peace Support Operation in the Democratic Republic of Congo (DRC). The South African National Defence Force supports the armed forces (FARDC) in the DRC with training as well as assist with the implementation of their military strategy.

Given the increasing levels of piracy along the Mozambican Channel it becomes all the more important that South Africa continue with its role in anti-piracy operations. Regarding the promotion of peace and stability in the Kingdom of Lesotho, a SADC Extraordinary Double Troika Summit was held in Gaborone on 28 June 2016. The outcomes of that summit included:

- Approval for teams of experts from the Double Troika member states to support the Kingdom of Lesotho with capacity building through technical workshops Technical Workshop on Security Reforms;
- Preparing a roadmap for Constitutional Reform

In this regard we are led by Deputy President Cyril Ramaphosa in mediation efforts in Lesotho, with particular focus on the implementation of SADC decisions to bring about stability in the Mountain Kingdom.

We also continue to be actively involved in peace-building efforts in South Sudan.

ON INTERNATIONAL COOPERATION

On international cooperation, the ICTS Cluster continues to enhance trade and investment relations with both developed and developing countries through our active participation in multilateral structures.

We have been elected to serve as the chair of the International Atomic Energy Agency (IAEA) Board of Governors and South Africa, led by Ambassador Tebogo Seokolo, will chair the body until October 2017.

The election of South Africa as chair is an endorsement of our country's leadership role on the world stage on matters of nuclear disarmament, nuclear non-proliferation and the peaceful uses of nuclear energy.

South Africa continues to work with developed countries of the North in pursuit of its national interests. In this regard, an Economic Partnership Agreement signed with the EU in June 2016 provides new and improved market access for South African products into the EU.

South Africa participated in the G20 Leader's Summit under the theme: "Towards An Innovative, Invigorated, Interconnected and Inclusive World Economy".

The Leader's Summit focused on, among others:

- strengthening policy coordination
- forging a new path for growth
- enhancing effective global economic and financial governance
- •facilitating robust international trade and development

Some of the key outcomes included the launch of the G20 Initiative on Supporting Industrialisation in Africa and in Least Developed Counties (LDCs). South Africa is the only African country in the G20, and leverages its participation in the forum to advance the African Agenda.

South Africa continues its high level participation at the UN General Assembly (UNGA). We reiterate our support for all initiatives aimed at reforming the UN institutions, with particular focus on the UN Security Council (UNSC).

South Africa also participated in the 32nd Session of the UN Human Rights Council (UNHCR) from 1 to 8 July 2016.

Some of the resolutions negotiated included those pertaining to the Rights to Freedom of Peaceful Assembly and of Association; Violence Against Women; Discrimination Against Women; Human Rights, Sexual Orientation and Gender Identity.

South Africa's foreign policy positions are informed by the values enshrined in the Constitution whose 20th anniversary we are celebrating this month. Our commitment to human rights and the fight against impunity remains unshaken. We were recently re-elected to the Human Rights Council with an overwhelming majority by UN member states.

We also remain committed to strengthen the African Court of Criminal Justice and the lead department which is the Department of Justice is spearheading our contribution and participation.

South Africa also participated in the 17th Non-Aligned Movement (NAM) Summit. South Africa highlighted the challenges being faced by the Movement, including the reform of the UN, the rights to self-determination of the Palestinian and Saharawi peoples; as well as the threat of global terrorism.

South Africa will continue to play an active role in the African Union. In January 2017, President Zuma will lead the South African delegation to the annual Summit of the AU to be held in Addis Ababa, Ethiopia.

South Africa also participated in the 26th Universal Postal Union (UPU) Congress. This is a specialised agency within the UN that focuses on modernizing the postal sector and diversifying postal products to sustain a universal postal territory that meets the needs of the 21st century.

On behalf of the Africa Group, South Africa chaired the Committee dealing with the reform of the UPU, the adoption of the 2017-2020 strategy, modernization of postal products to support the integrated postal network, as well as a review and adoption of regulatory standards for the postal sector.

South Africa was re-elected into the Council of Administration for the period 2017-2020, a decision-making body of the UPU in between congresses. It enables us to play our part in the restructuring of the UPU.

In fulfilment of the objective of democratizing the Internet to enhance its role as an enabler of socio-economic development, South Africa also hosted the African Internet Governance Forum (IGF) in partnership with the AU.

The African IGF concluded with an Action Plan focused on amongst others:

- ensuring wider participation in the online economy
- the promotion and protection of intellectual property
- the promotion of cyber-security
- privacy and access to key technical resources, such as domain names and Internet Protocol addresses, that all make Internet services possible.

Connectivity costs remain a major issue on the continent. In partnership with the private sector, South Africa and the AU launched the SADC Internet Exchange Point as part of the efforts to bringing down communication costs in Africa.

That Exchange Point is aimed at ensuring that online content circulates in the region, which will reduce latency and improve the user experience.

South Africa was this year the proud host of the 17th Conference of the Parties to the Convention on the International Trade in Endangered Species of Wild Fauna and Flora (CITES CoP17).

The conference, the largest of its kind, was attended by 152 parties. Decisions relating to the regulation of international trade in endangered species; combating illegal international trade in endangered species and securing livelihoods of communities depending on natural resources were taken at this important meeting.

An important outcome was the recognition of the need to address the underlying causes of species loss. Issues of habitat loss, poverty, human wildlife conflicts, lack of enforcement, governance and institutional challenges, were raised at CITES COP17.

CITES COP17 recognised that people need to benefit from the sustainable utilisation of its natural resources, including from legal international trade.

A legacy programme associated with CITES COP17 will ensure that our communities continue to remain at the forefront of our conservation efforts.

The decisions adopted at COP17 will also assist South Africa in further strengthening our Integrated Strategic Management approach to address rhino poaching and grow our rhino populations across their range.

In this regard, South Africa fully supported all enforcement related decisions including a resolution to prevent and counter corruption.

The SAPS-led National Integrated Strategy on Combatting Wildlife Trafficking (NISCWT) includes provisions that will enable South Africa to fully implement the compliance and enforcement related decisions emanating from CITES COP17.

South Africa also actively participated in the Hanoi Conference on Illegal Wildlife Trade recently held in Hanoi, Vietnam where parties recognized the significant scale and detrimental economic, environmental, security, and social impacts of the illegal trade in wildlife.

Through the adoption of the Hanoi Statement on Illegal Wildlife Trade, South Africa together with the other countries reiterated its commitment to international cooperation to end poaching and wildlife trafficking.

These commitments include actions related to eradicating the market for illegal wildlife products; ensuring effective legal frameworks and deterrents; strengthening law enforcement and promoting sustainable livelihoods and economic development.

South Africa has signed the Paris Agreement to combat climate change, and ratified the Agreement in November this year.

Its entry into force has been a ringing endorsement of rules-based multilateralism; its implementation of the Paris Agreement will lead to a collective global action of limiting global temperature increases to below 2 degree Celsius.

CONCLUSION

Ladies and Gentlemen,

Although much work has been done and significant milestones attained, we know much more needs to be done. If we are to realize the collective aspirations of all the people of South Africa of a more prosperous country and nation, we must accelerate our actions.

South Africa's economic diplomacy remains central to attracting investment, creating jobs, growing and transforming the economy. In this regard, we will continue to align our foreign policy work with our domestic priorities, in particular those highlighted by the NDP.

We are all aware that our collective destiny is inextricably linked to the fortunes of the African continent, and we will in the year ahead continue to play an active role in continental and global affairs.

We hope we have served to provide a concise overview of the work done by the ICTS Cluster for this quarter. We want to emphasize again that we can be justly proud that we have a government that is transparent and accountable.

It is our ardent hope that this message will reach all South Africans that theirs is a government that is hard at work

We thank you.

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