**MEDIA STATEMENT**

**TRADE AND INDUSTRY COMMITTEE UPDATED ON UK ROLL-OVER AGREEMENT POST BREXIT**

**Parliament, Wednesday, 13 February 2018 –** Parliament’s Portfolio Committee on Trade and Industry today heard in a meeting with the Department of Trade and Industry that the department’s negotiating team expect to reach a roll-over agreement with the United Kingdom (UK) by next Thursday 21 February, regarding preferential trading arrangements after the British Exit from the European Union (EU), better known as Brexit, which is expected to occur on 29 March 2019.

Committee Chairperson Ms Joanmariae Fubbs commended the department and other government departments for the hard work in attempting to ensure some “form of continuity in arrangements after Brexit”. She emphasised that everything should be done to ensure more positive agreements for South Africa and all African countries in future.

The committee heard that all ministers involved will sign a final agreement by the first week of March 2019. The committee heard that no agreement has been reached between the UK and the EU about the UK’s continued use of existing EU trade agreements. As the UK is currently still part of the EU, no new conditions can be negotiated in the roll-over agreement. “It is only once the UK leaves the EU without an agreement that the UK can draw up its own agreements with other countries. The impact of them not reaching an agreement with the EU before Brexit is difficult to quantify now,” Ms Niki Kruger, the department’s Chief Director: Trade Negotiation, International Trade & Economic Development Division, told the committee.

The UK is currently South Africa’s second biggest trading partner in the EU. The committee heard that although South Africa currently has a negative trade balance with the EU, it has a positive trade balance with the UK and this has increased significantly over the last years. The South African and UK trade balance is currently about US$1.5 billion in South Africa’s favour. The UK currently receives about 40% of all fresh food products or agricultural products exported from South Africa to the EU.

The committee heard that the UK has indicated that if it does have its own agreements post-Brexit, it would like more open and mutually beneficial agreements. As soon as the roll-over agreement is signed, it will come to Parliament for ratification.

**ISSUED BY THE PARLIAMENTARY COMMUNICATION SERVICES ON BEHALF OF THE CHAIRPERSON OF THE PORTFOLIO COMMITTEE ON TRADE AND INDUSTRY, MS JOANMARIAE FUBBS.**