

**MINISTRY**

**INTERNATIONAL RELATIONS AND COOPERATION undertaken**

REPUBLIC OF SOUTH AFRICA

NATIONAL ASSEMBLY

QUESTION FOR WRITTEN REPLY

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**2922. Mr M Hlengwa (IFP) to ask the Minister of International Relations and Cooperation:**

1. With regard to her comments during the United States of America (US) and SA Strategic Dialogue that the economic recovery in Africa should be placed at the front and centre of the agenda, (a) how does her department plan to fulfil economic recovery through the partnership with the US and (b) what will the Republic contribute to the US in exchange for their investments;
2. Whether the position of youth, women and people with disabilities in the strategic partnership has been outlined; if not, why not; if so, what are the relevant details in this regard? **NW3548E**

**REPLY:**

1. (a) During the Strategic Dialogue, the delegations of South Africa and the United States held fruitful discussions in the Trade and Investment and Infrastructure Commissions, amongst others. Discussions centred largely around the following topics, which are aimed at supporting economic recovery in South Africa and the continent.

* **The establishment of a bilateral Trade and Investment Forum/Advisory Council**: This body will have a strong focus on investment matters at a strategic level but will also deal with trade issues as they emerge. Its objective is to significantly boost trade and investment levels. It was proposed that the Forum be anchored by the DTIC, but also include participation by organisations such as Business Unity SA (BUSA) and business chambers.
* **JET-P**: The US indicated that it would consider providing additional funding based on the strength of the Investment Plan and its level of ambition. The Investment Plan will outline the investments required to achieve South Africa’s ambitious NDC targets and enable a just transition. The US offer amounts to just over US$1 billion. The bulk of this funding will be deployed to private sector projects through the US Development Finance Corporation (DFC), with the rest of the funding comprising small grants provided through a range of US aid agencies in the energy sector (up to $10m of grants and $10.5m of technical assistance).
* **Extension of the African Growth and Opportunity Act (AGOA):** South Africa advocated for the renewal of AGOA beyond 2025 in line with the African Common position, as it will open opportunities for enhanced exports to the US market, including value-added products from South Africa. The US pledged to support South Africa to maximise its advantages in this regard.
* **Agriculture:** South Africa called on the US to address non-tariff barriers around expanded market access for animal and plant products, which include poultry, egg products, avocado and citrus. An Agriculture Task Force has been established to focus on constructive collaboration, which will assist in resolving some of these market impediments on a product by product basis.
* **Removal of tariffs:** The removal of Section 232 tariffs on South African steel and aluminium imports into the US will allow for increased exports and assist with job creation. South Africa lobbied for a country exemption from these tariffs.
* **Improvement of the Trade and Investment climate:** Both sides agreed to review regulatory issues that stand in the way of greater levels of two-trade and investment, such as incentives in the film production and electric vehicle industries and South African concerns around anti-dumping duties.
* **African Continental Free Trade Agreement (AfCFTA):** Both sides agreed that the AfCFTA and AGOA could play a pivotal role in boosting economic relations.
* **Global Supply Chains:** The parties expressed concern about the challenges posed by dysfunctional global supply chains and undertook to collaborate, support and learn from each other to overcome obstacles. This issue also impacted negatively on continental trade and on food security, where it is believed the two sides could cooperate.

1. **(b)** The trade and investment relationship with the US is mutually beneficial and has created jobs in both countries. South Africa offers an attractive investment proposition because of its solid industrial base, manufacturing capacity, advanced technology, and world-class financial sector. South Africa is well placed to be a springboard for manufactured exports in the region and to foster the drive for enhanced regional integration, industrialisation, and infrastructure development under the auspices of the AfCFTA. The US private sector sees numerous opportunities for productive investments, including in the digital and green economy, that could be a catalyst for the development of regional supply chains. This would boost employment in South Africa, especially for the youth, and contribute to skills development and technology transfer.
2. The Strategic Partnership encompasses targeted support for vulnerable groups. The United States Agency for International Development (USAID) provides funding and technical support for programmes and interventions, which include the following, amongst others:

* The PEFPAR DREAMS programme, which contains various interventions to address key risk factors that make girls and young women particularly vulnerable to HIV. These address social vulnerabilities of adolescent girls and boys and young men and women by expanding testing options for youth and specialised prevention, including through pre-exposure prophylaxis for HIV, among children, adolescents, and youth.
* Partnership with the Department of Basic Education to strengthen the capacity of teachers to teach healthy sexuality and HIV education lessons that can improve life skills and reduce risky behaviours and early drop-out amongst school-going youth. The support is at national, provincial, district, and school levels to reduce the rate of new HIV infections among vulnerable youth, include the reduction of unwanted early teenage pregnancies, supporting direct linkages to health services, including the prevention of gender-based violence (GBV) and retention of adolescent girls in schools.
* Through its Democracy, Rights, and Governance work, USAID supports the Masiphephe Network to strengthen the local governance response to Gender Based Violence (GBV). For the 2022-2024 financial years, the priorities will include improving access to justice to decrease the incidence of violence against children, adolescents, and young women.