



## **Press Release on the Conclusion of the SACU – MERCOSUR Preferential Trade Agreement (PTA).**

1. The SACU Council of Ministers at their 15th Council Meeting held on the 27<sup>th</sup> June 2008 in Midrand South Africa, approved the concluded SACU – MERCOSUR Preferential Trade Agreement (PTA) Negotiations held in April 2008.
2. The final round on Negotiations between SACU (comprising of Botswana, Lesotho, Namibia, South Africa and Swaziland); and MERCOSUR (comprising of Argentina, Brazil, Paraguay, and Uruguay,) were held on the 17 – 18 April 2008 in Buenos Aires, Argentina, were all outstanding technical issues were resolved.
3. The agreement is a Preferential Trade Agreement aimed at promoting trade between the two sides on a selected number of products. It contains 1000 tariff lines on both sides for which preferences will be granted.
4. The agreement concluded on the 17 – 18 April 2008 will replace the agreement signed in December 2004 in Belo Horizonte, Brazil, as substantial changes were made to the earlier agreement.
5. The initial 2004 agreement included an in-built agenda to continue negotiations on a number of issues, including rules of origin, Sanitary and Phyto-Sanitary (SPS) measures and requests for additional trade preferences for specific products on both sides.

6. The PTA contains a main text, and five annexes. The main text sets out the principles, legal provisions and procedures for the arrangement. It also establishes an institutional arrangement to manage the new trade arrangement. Annexes 1 and 2 set out MERCOSUR and SACU respective tariff concessions covering 1000 products either way with preference margins spread over 100-10%. Annexes 3, 4 and 5 cover general rules of origin, safeguards, and dispute settlement.
7. The PTA is significant in that it is the first trade agreement concluded by SACU as a single entity. This agreement is also important in that it is with another developing region, giving meaning to the objectives of south-south cooperation and integration.
8. The PTA creates a basis for further integration and cooperation including possible further exchanges of tariff preferences, and cooperation on any other area. It establishes a legal framework to govern SACU and MERCOSUR trade relations.
9. Attached is the joint communiqué between SACU and MERCOSUR following the conclusion of the trade negotiations held in Buenos Aires, Argentina on the 17 – 18 April 2008.

**END**

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## **Joint Communiqué issued at the Conclusion of the MERCOSUR - SACU Preferential Trade Agreement Negotiations**

1. The Common Market of the South (MERCOSUR) and the Southern African Customs Union (SACU), expressed their satisfaction with the successful conclusion of the Preferential Trade Agreement between MERCOSUR and SACU.
2. Both Parties acknowledged the intense work done during twelve rounds of negotiations to achieve an Agreement aimed at mutually improving market access for their products.
3. Both Parties reaffirmed their mutual interest in expanding trade between their regions and highlighted the benefits of enhanced relations through new trade and investment opportunities. In this regard, they stressed that the Agreement will be a key element to gradually establish the conditions for a future Free Trade Area.
4. Both Parties committed themselves to expediting the necessary internal procedures in order to sign the Agreement as soon as possible.
5. Both Parties recognized that; as they explore the possibilities for further trade liberalization, they will take into due account the importance of improving market access for the smaller economies in MERCOSUR and SACU.