CHAPTER IV
SOUTH AFRICA AND MAJOR POWERS
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South Africa’s foreign policy towards the major powers is an important area in the post-apartheid policy of South Africa. The end of the Cold War, disintegration of the Soviet Union (1991), emergence of United States (US) as the world super power, emergence of European Union (EU), China and Japan, have important impact on the foreign policy of South Africa in the post-apartheid period. This chapter discusses South Africa’s relation with the US, EU, Russia, China and Japan.

4.1. South Africa’s foreign policy towards US

South Africa’s foreign policy towards US can be discussed as follows: (1) South Africa and US relations in 1990’s, (2) The September 11 attacks and South Africa-US relations, (3) South Africa-US relations in 2004.

4.1.1. South Africa and US Relations in the 1990’s

The US took a pro-active and leading role in supporting South Africa through its transition to broad based democracy. The administration of President Bill Clinton set great store by the success of the South Africa model of multiculturalism, a model must needed in its own cities across America. The US anti-apartheid movement, which had played a key role in overturning the Reagan administration’s policy of constructive engagement and imposing sanctions in 1986, had created a political environment in the US that allowed continued and increased development aid to South Africa

During Nelson Mandela’s administration, President Bill Clinton announced an aid package of $ 600 million (R 3.9 billion) which was to be distributed over the next five years. The Mbeki- Gore Binational Commission (BNC) was among the important initiatives between South Africa and US. It brought together US Vice

President Al Gore and then South African Executive Deputy President Thabo Mbeki twice yearly. It consisted of joint technical committees, drawn from the appropriate national agencies, in several areas of mutual concern. The BNC created sufficient momentum to expand US - South Africa relations in the post-apartheid period. The BNC initiative introduced in the following areas: agriculture, human resource development, education, housing, law enforcement, trade, sustainable energy and defence. Under the Bush administration and following President Mbeki ‘s working visit to the US in June 2001, it was agreed that the work of the former BNC would continue under a new structure which would be known as SA-US Bilateral Cooperation Forum (BCF). 2

South Africa’s new government was careful to maintain a certain distance from the US, however, in the light of its own debut on to the world stage in 1994. South Africa deferred with the Clinton administration on several issues. Among them were the resolution of outstanding Armscor legal case, left over from the apartheid era; Pretoria’s proposed arms sales to Syria and relations with other rogue states such as Libya; disputed trademark violations initiated by South African companies during the sanctions era and the US duties imposed on South African steel. In 1994, the value of imports and exports between US and South Africa stood at R 23,598 million and constituted 9.45 percent of South Africa’s total trade turnover. It can be seen that South Africa and US relations since the end of the apartheid era has been a major factor in South Africa’s foreign policy.

4.1.2. The September 11 attacks and South Africa – US relations

The September 11, 2001 attack at the World Trade Centre (WTC) and Pentagon had deep impact on the Africa –US relations in general and South Africa in particular. The US Deputy Assistant –Defence Secretary for Africa affairs, Michael Westphal, admitted in 2002 that Africa rarely featured as a priority in the Pentagon’s agenda. He described US interest in Sub-Saharan Africa as being based on the fact that the US received 15 percent of its oil imports from the region, a

2 Ibid, p. 251.
3 Armscor, a South Africa arms manufacturing parastatal and affiliates were charged in 1991 by the US with illegally acquiring sensitive weapons technology through front companies in the US and then exporting that technology back to South Africa in defiance of the arms sanctions in place, as well as, to Iraq.
figure that is expected to go up 25 percent by 2015. However, since 11 September 2001, Africa has once again become a prominent in US foreign relations. In April 2002, President Bush announced that poverty, unemployment and hopelessness create breeding grounds for terrorists.

Of all the reasons in the world, Africa is one that faces these problems in their most extreme forms. South Africa, alongside Nigeria, Ethiopia, Kenya, Eritrea, Senegal, Botswana and Ghana, was named a priority partner for the US to help secured stability in Sub-Saharan Africa. Given Pretoria’s role in the DRC peace process, Burundi and Zimbabwe, South Africa is well positioned to exploit the benefits that come from America’s preoccupation with countering terrorism. This is one of the areas of co-operation where all parties are to enjoy a reciprocal relationship. The US aims to cure state weakness and in so doing prevent state failure which posses a direct threat to US national security. On the other hand, South Africa is preoccupied with creating a conflict free Southern Africa, making the region more attractive to foreign investment from the rich countries of the North. 6

4.1.3 South Africa-US Relations in 2004

South Africa’s relation with the US in 2004 has three features: (i) South African trade with the US, (ii) the implications for South Africa-US relationship of the US military engagement in Iraq, (iii) the challenges of HIV/AIDS7.

4.1.3.1. South Africa’s trade with the US

The value of South Africa’s export to US exceeds that of those to any other single national economy. On the import side, only Germany surpasses the US in selling goods to South Africa. In the first year of implementation of the Africa Growth and Opportunity Act (AGOA) in 2001, the value of South African goods exported under the act to the US grew by a remarkable 45 percent, from $ 923 million to $ 1.34 billion. This increase is especially notable in the light of the 4.4

6 Ibid., p. 143.
7 Bridgman, n. 1, p. 253.
percent decline in the overall exports from South Africa to the US over the same period. From 2002 to 2003, South Africa's AGOA exports across all sectors grew by 24 percent to $1.7 billion (R 11.9 billion). In 2001, AGOA exports by South Africa amounted to 21 percent of total exports to the US; in 2002, 32 percent and in 2003, 34 percent.

The US has consistently been the largest foreign investor in the post-apartheid South Africa, representing some 40 percent of the total FDI since 1994. The US companies operating in South Africa directly or indirectly in 2004 is 900 compared to 104 in 1994. These companies include big players such as Caltex, Ford, General Motors, Southern Bell Cooperation and Pfizer which employ approximately 125,000 people in South Africa\(^8\). In June 2003, negotiations for free trade area (FTA), between the US and Southern African Customs Union (SACU) was continued for better trade relations.

South Africa's approach to the failed WTO talks in Cancun in September 2003 was a disappointment to the US trade officials. But at the Cancun talks, South Africa, as a part of the G-20 + of like minded developing nations including India and Brazil, pressed the US to liberalised agricultural policies before the talks could proceed.\(^9\) It can be said that South Africa's trade with the US has always been an important factor in South Africa's post apartheid foreign policy.

4.1.3.2. US military engagement in Iraq and South Africa-US relations

South Africa opposed the US led intervention in Iraq in 2003.\(^10\) The US in defence of its action, pointed to the repeated refusal by Iraqi President, Saddam Hussein, to cooperate with that process in the 12 years since UN inspections began following the first Gulf war. South Africa's Deputy Foreign Minister, Aziz Pahad, visited Baghdad in the weeks before hostilities began and he made South Africa's opposition to the military intervention. He further told Hussein that South Africa supported a continuation of the UN's lead role. The resulting strain on US-South Africa relations, further emphasised by angry protest each day during that conflict.

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8 [www.dfa.gov.za](http://www.dfa.gov.za), link to bilateral relations with the US.

9 Bridgman, n.1, p.255.

10 The 2003 invasion of Iraq (from March 20 to May 1, 2003) was led by the United States, alongside the United Kingdom and smaller contingents from Australia, Denmark, and Poland.
outside US diplomatic posts in South Africa, was largely limited to the period of military engagement. The subsequent rapprochement between the US and the UN over Iraq’s reconstruction further soften South Africa’s rhetoric on the matter\textsuperscript{11}.

When the US President Bush visited Pretoria in July 2003, there was no mention of their previous differences. It is important to note the implications for South Africa of this new national security strategy on the part of the US. In an official document outlining the policy planning of the White House, the Bush administration in September 2002 put forward it and shocked the close observers. The policy has come to be referred as pre-emption and it is unprecedented among the world’s modern democracies. The document also noted the key role of South Africa and three other African nations (Nigeria, Kenya and Ethiopia) as anchors for regional engagements for the US in Africa.

4.1.3.3. Challenges of HIV/AIDS in South Africa\textsuperscript{12} and the US assistance

South Africa is a major point of focus for the Bush administration’s Presidential Emergency Plans for AIDS Relief (PEPFAR), under which $ 15 billion has been committed over the next five years to stem the spirit of the pandemic worldwide. South Africa, with an estimated HIV infection rate of 20.1 percent of its population and world’s largest number of HIV infected persons at approximately 5 million, will be among the first countries to roll out the programmes provided by PEPFAR. These programmes include the provision of anti-retroviral (ARV) medicines in the wake of the South African government’s finally recognising HIV as primary cause of AIDS. Educational programmes, training in palliative care, support for organisations caring for AIDS orphans, improvements to South Africa’s public health facilities and enhancement of its research capacity will also feature in this initiative.

Other new US funding assistance provided to most African nations is the $ 5 billion Millennium Challenge Account announced by President Bush in March 2002. This assistance couldn’t be available due to South Africa’s level of

\textsuperscript{11} Bridgman, n.1, p.256.

\textsuperscript{12} HIV/AIDS in South Africa is a prominent health concern because South Africa is believed to have more people with HIV/AIDS than any other country. The 2007 UNAIDS report estimated that 5,700,000 South Africans had HIV/AIDS, or just under 12 percent of South Africa’s population of 48 million.
development and affluence relative to that of many other African countries. The amount requested by USAID for South Africa’s aid programmes for the 2003 financial years was $62.4 million, compared with a peak of $134.9 million in 1995, and many of the aid programmes initiated under Clinton was expired in 2004.13

4.2. South Africa and EU Relations

From the very beginning of the post-apartheid era, the South African government was keen to formalise its relationship with the European Union (EU). In 1995 the EU was South Africa's biggest trade partner and the most significant source of foreign investment. The importance of South Africa to the EU is of course much more limited. In 2002 South Africa accounted for just 1.6 per cent of EU imports and 1.3 per cent of its total exports. The relationship that Pretoria has forged with the EU is therefore significant in the way it defines the integration of South Africa into the global economy.14 In this context, South Africa and EU relations can be examined in the following ways: (i) South Africa and EU relation in the post-apartheid era, (ii) the EU-SA Trade, Development and Cooperation Agreement and (iii) The Economic and Political impact of TDCA.

4.2.1. South Africa and EU relations in the post-apartheid era

South Africa’s relation with EU in the post apartheid period has been a significant transformation in their bilateral relations. The most important of these relations are the bilateral relationship followed by the regional and continental dimensions. It was way back in 1983 that EU introduced economic and diplomatic sanctions against South Africa in opposition to the apartheid policies. In 1993, EU reestablished its diplomatic relations with South Africa, when President Nelson Mandela called for lifting of economic and diplomatic sanctions.15 The first cooperation agreement between South Africa and EU was signed in October 1994 by Thabo Mbeki, the then Deputy President of the Republic and Sir Leon Brittan

13 Bridgman, n.1, p.259.
on behalf of the Commission. It was limited to nine general clauses and valid for an indefinite period. The agreement also covers cooperation arena in economic, social and political field between South Africa and EU.\(^\text{16}\)

In 1996, first science and technology agreement was signed between South Africa and EU. The agreement allows South African researchers to engage in collaborative research projects funded by EU. The issue of the Lome Convention\(^\text{17}\) was central to the EU and South African relations. South Africa indicated preference to the Lome Convention in order to benefit from the unilateral trade regime of the African Caribbean and Pacific Countries (ACP). South Africa achieved the qualified membership of Lome on 24 April 1997. It involves access to the ACP- European communities, institutions, and the right to tender for European Development fund contracts ACP countries. The EU and its member's states contribute more than 60 percent of aid received by South Africa. There are two important issues of concern between South Africa and EU.

One is that South Africa’s economy is not at all comparable to that of existing ACP states. Secondly, it is hard to believe that South Africa’s accession wouldn’t adversely affect a number of ACP states.\(^\text{18}\) South Africa hosted the first ACP trade ministers meeting in Johannesburg in April 2001. SADC Minister’s of trade meeting was held in March 2003 to discuss the negations at regional level. The agreement also states about the decentralised cooperation which involves active participation of civil society and private sector in the planning of national development strategies. In 2002, the EU-SADC Ministerial meeting both the parties signed an agreement which provides a comprehensive framework for the EU Southern African Cooperation for 2002/2007. The EU has donated US$101 million to promote regional integration among the 14 members of Southern African Community.\(^\text{19}\)

\(^\text{16}\) Ibid, p.132.

\(^\text{17}\) The Lome Convention is a trade and aid agreement between the European Union (EU) and 71 African, Caribbean, and Pacific (ACP) countries, first signed in February 1975 in Lome, Togo. The first Lome Convention which came into force in April 1976 was designed to provide a new framework of cooperation between the then European Community (EC) and developing ACP countries, in particular former British, Dutch, Belgian and French colonies.

\(^\text{18}\) Biswas, n.15, p.134.

\(^\text{19}\) Ibid, p.138.
4.2.2. The EU-SA Trade, Development and Co-operation Agreement (TDCA)

South Africa’s relation with EU is governed by the EU-SA Trade, Development and Cooperation Agreement. In 1993, the first tentative steps towards establishing a free trade area between South Africa and EU were taken. By the end of 1999, the bulk of the negotiations were completed and the TDCA was provisionally implemented in January 2000. It includes two main areas of cooperation. The first and most significant is the creation of a Free Trade Area (FTA) between the EU and South Africa. In addition the EU provides development assistance. During the years of negotiations, an impact study was done by the UN Conference on Trade and Development (UNCTAD).

The study projected an increase in EU exports to South Africa of between 2.3 percent and 12.3 percent from 1996 volumes and an increase between only 1.3 percent and 1.4 percent in South Africa exports to the EU. For the EU, the EU-SA TDCA has been a trend setter that has shaped thinking around the future relationship between the EU and partners in developing countries.

The South African government views the TDCA as a key driver in the further integration of post-apartheid South Africa into the world economy. This is reflected by the comments of one senior figure in the South African government. Minister of Trade and Industry, Alec Erwin suggested that the TDCA would benefit South Africa in both assisting the necessary restructuring of the economy and by opening markets, which will increase productivity levels and the stimulation of exports. Hence it is clear that in its relations with the EU, the South African government was in broad acceptance of the neoliberalism that dominates the world's multilateral institutions.

The FTA forms the central pillar of post-apartheid South Africa's relations with the EU. It was the first FTA to be negotiated after the conclusion of the Uruguay Round of the General Agreement on Tariffs and Trade (GATT) and the subsequent creation of the WTO. The priority of South Africa's integration into the global economy appears to take precedence over the developmental nature of the

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FTA. The second arm of the EU-South Africa TDCA is development assistance. This is very much of secondary importance in comparison to the FTA. It should be acknowledged that parts of this funding have been focused directly on the needs of the poor majority and the legacies of apartheid. The EU provides development assistance to South Africa through the European Programme for Reconstruction and Development (EPRD). The impact of the EPRD is augmented by loans made by the European Development Bank (EDB). The EDB has made loans averaging €120 million per year. This makes the EU the most significant provider of development assistance within South Africa. 22

Sources at the European Commission have emphasised the growing importance of political dialogue within the TDCA. The Cooperation Council was established to facilitate such dialogue between the South African government, the European Commission and representatives of EU member states. This forum meets annually to discuss issues of common concern to all parties. However, dialogue only occurs between official representatives and there is therefore continued marginalisation of progressive forces. The fourth meeting took place in November 2004. The South African delegation was led by Foreign Affairs Minister, Nkosazana Dlamini Zuma, whilst the EU representation was headed by Agnes Van Ardenne who is the Dutch Minister of Development and Cooperation. 23 A number of separate agreements were also included in the TDCA by South Africa and the EU.

4.2.3. The Economic and Political impact of TDCA

In 2000, the first year of implementation of the agreement – South African exports to EU increased by 35 percent and EU exports to South Africa increase by 20 percent. The trend continued in 2001 with South Africa increasing exports by a further 11 percent and the EU by 19 percent. Apart from the trade aspect of the agreement, the parties included development and cooperation in their partnership. Under development, it was agreed that the EU would continue to provide financial assistance for development programmes. Other areas of cooperation in the

22 Nevertheless, these funds only represent about 1.5 per cent of the annual budget of the South African government. This makes any possible impact of the EPRD fairly negligible.

agreement were: trade related areas such as cooperation between custom services, economic cooperation such as supporting patterns of regional economic cooperation, non-trade and economic areas such as health, the media, human resource development and the protection of environment. The agreement had also impact on domestic political developments between the two countries\textsuperscript{24}.

The EU-SA TDCA has done a fair amount in elevating South Africa's position internationally. On political level, this has means that South Africa has come to play an important role in a number of international forums such as World Trade Organisation (WTO), Non-Aligned Movement (NAM) and in the ACP fold. The impact of the negotiation have had on domestic political developments is often overlooked, but it is of great important. The comprehensive review of implementation of EU-SA TDCA has done at the end of the 2004.

The immediate impact of the FTA appears to have boosted trade between the two parties. There was significant growth in both South African exports to the EU and imports from the EU entering the South African market (Table 4.1).

**Table 4.1 Trade between the European Union and South Africa, 1999-2002**

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<tr>
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<th>1999</th>
<th>2000</th>
<th>2001</th>
<th>2002</th>
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<tbody>
<tr>
<td><strong>South African exports to the EU</strong></td>
<td></td>
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<tr>
<td>(€ billion)</td>
<td>10.7</td>
<td>14.4</td>
<td>16.0</td>
<td>15.6</td>
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<tr>
<td><strong>Index (1990 = 100)</strong></td>
<td>180</td>
<td>243</td>
<td>270</td>
<td>263</td>
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<tr>
<td><strong>EU exports to South Africa</strong></td>
<td></td>
<td></td>
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</tr>
<tr>
<td></td>
<td>9.4</td>
<td>11.7</td>
<td>12.5</td>
<td>12.4</td>
</tr>
<tr>
<td><strong>Index (1990 = 100)</strong></td>
<td>238</td>
<td>285</td>
<td>305</td>
<td>304</td>
</tr>
</tbody>
</table>

*Source: Eurostat Trade Statistics.*

In the early years of the post-apartheid era there was a special emphasis placed on the Southern African region within foreign policy statements. Nelson Mandela, for instance, suggested that 'Southern Africa commands a special priority in our foreign policy'. Indeed the dominant view within the ANC was that 'South Africa could not remain 'an island of prosperity in a sea of poverty'. However, such

\textsuperscript{24} Scott, n.20, p.175.
a concern for their regional neighbours did not appear to be given a high priority in South Africa's negotiations with the EU.25

4.3. South Africa and Russia relations

The disintegration of the Soviet Union into 15 independent States at the end of 1991 had direct impact on the foreign policy of South Africa. South Africa and Russia maintained a good relationship since the time of Boris Yeltsin. Russia has a consulate general in Cape Town and South Africa had consulate general in St. Petersburg, but this was closed in the mid 1990s. At least 26 agreements and the protocol have been signed since 1992.26 At least 6 states visit to Russia were cancelled between 1994 and 1999. Nelson Mandela went to Russia in April 1999 on his last official tour. Russia was represented at Mandela’s inauguration in May 1994 and in November 1995, the deputy prime minister of Russia Oleg Soskovets visited South Africa.27

4.3.1. South Africa and Russia in the post apartheid period

South African representation in Russia was initially optimistic and energetic under its first ambassador, Gerrit Olivier but after 1994 there was a distinct downscaling under two ANC appointed ambassadors. A Russian South African Binational commission was established in 1995 and relations have improved between the two countries. In November 2002 the two countries met in Pretoria and again in November 2003 in Moscow.

South Africa and Russia share few serious international concerns, though both have repeatedly call for the United Nations to take the leading role in dealing with Middle East and further crises, particularly the post war settlement in Iraq. Despite the USSR active role in Africa during the cold war, Russia has played little part in the resolution of Africa’s current problems. In 2002, South Africa exported goods mainly food products and capital equipments worth R 599.1 million to

26 This form of legal framework for relations on many levels including investment protection, cooperation in trade and economic matters and in science and culture, on crime prevention on defence.
Russia and imported Russian goods to the value of R 241.3 million. Russia takes almost 70 percent of South African exports to the CIS, and provides 35.4 percent of the exports to South Africa.

Other South African companies with an important presence in Russia include engineering consultants EL Bateman, Anglo Americans Mondi which invested $300 million in the Syktyvkar Timber Industry complex in 2002 and South African Breweries International. Russia's State Airline, Aeroflot, opened an office in Johannesburg and direct flights between Johannesburg and Moscow were started. However, in 1998, the office closed and the flights were discontinued, owing to SAA's refusal to allow Aeroflot to take passengers from Johannesburg to Cairo. South Africa and Russia have signed several agreements to co-operate in crime prevention and crime solving, although South Africa has not been a major locus for Russian money-laundering.

Overall, South Africa-Russian diplomatic relations have been stronger in form than content. The story of trade and business contacts is similar, though genuine interest has been shown and progress made in the mining and technology fields and to a lesser extent in banking and in consumer exports to Russia.

4.3.2. ITEC (Intergovernmental Committee on Trade and Economic Cooperation) and South Africa-Russia Relations

ITEC is Intergovernmental Committee on Trade and Economic Cooperation between South Africa and the Russia. It is the most important mechanism underpinning bilateral relations for mutual political and economic interests between South Africa and the Russia. Since the launch of ITEC, great progress has been made in strengthening bilateral political, economic and trade relations between the two countries. The Inaugural Session was held in Moscow from 28 - 30 April 1999 during former President Nelson Mandela's state visit to Russia. Till 2005, there had been five ITEC Sessions between South Africa and

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28 Department of Trade and Industry (DTI), 2003.
29 CIS – Commonwealth of Independent States consists of 12 independent states, which was formed at the end of 1991 after the disintegration of USSR.
30 Pienaar, n.27, p.238.
31 Department of Foreign Affairs, (2005), (http://www.dfa.gov.za)
Russia. Let’s examine some of the important issues and declarations of the ITEC Sessions/Meetings between the two countries.

4.3.3. The Sessions of ITEC and South Africa-Russia Relations

The Second Session of the Joint Inter-Governmental Committee on Trade and Economic Co-operation (ITEC) was held from 18-21 November 2002 in Pretoria. South Africa’s Minister of Foreign Affairs, Dr Nkosazana Dlamini Zuma and Russian Deputy Prime Minister Valentina Matviyenko Co-Chaired the Session. Both the Ministers held a political bilateral meeting to discuss the AU, NEPAD, the situation in the Middle East as well as the developments in Iraq. Issues on the joint Agenda of ITEC included the status of the respective countries' economies, mutual investment promotions and identifying specific trading sectors as well as co-operation in the banking sector. Joint research projects in biotechnology, laser technology together with scientific visits from research institutions to the respective countries were discussed in the Joint Commission on Science and Technology Co-operation.

Politically South Africa's relations with the Russia have been identified as a priority since the end of the apartheid system.32 From the trade and economic perspective progress between South Africa and the Russia have not reached its full potential. The South African and Russian Governments have, therefore, agreed to expand ITEC to include the participation of more Departments/Ministries whose core business issues are vital to the success of mutual beneficial trade and economic co-operation.33 It can be seen that the second ITEC Session was a successful dialogue and it covered the economic and political issues, developmental issues and science and technology.

The Third Session of the South African-Russia Joint Inter-Governmental Committee on Trade and Economic Co-operation (ITEC) took place in Moscow, Russia from 10 to 12 November 2003. The Session was Co-chaired by the Foreign

32 This decision has been reflected in the increasing high level political interaction between South African and Russian political leadership over the past year especially within the international multilateral fora and in particular between President Mbeki and President Putin within the United Nations and the G8 and the subsequent Russian Federation's approval and endorsement of the African Union and NEPAD.

33 Department of Foreign Affairs, (2002), Pretoria.
Minister of South Africa, Dr NC Dlamini Zuma, and the Deputy Chairperson of
the Government of Russia, Dr VA Yakovlev. The Co-Chairpersons expressed their
satisfaction on the successful development of relations in the political, scientific
and technological, trade and economic, agricultural, water affairs and forestry,
transport, education and health fields between the Republic of South Africa and
Russia. The two sides discussed the state of bilateral trade, and felt that there was
significant room for improvement.34

The Fourth Session of the Inter-Government Committee on Trade and
Economic Co-operation (ITEC) between South Africa and Russia took place in
Tshwane from the 17 - 19 November 2004. During the November 2004
consultations in Tshwane, the two Co-chairpersons agreed that a mechanism
should be established that would monitor and ensure effective implementation of
decisions between sessions of ITEC.

The Fifth meeting of ITEC, held in Moscow also offered the opportunity
for the signing of an Agreement on Co-operation between the Chamber of
Commerce and Industry of the Russian Federation, and the Chambers of
Commerce of South Africa (CHAMSA). The agreement included the
establishment of a South Africa - Russia Business Council. During this
engagement a business forum was successfully held, led by the two Chambers and
attended by representatives of the two countries' business circles.35

4.3.4. Economic bilateral relations between South Africa and the Russia

The economic relations between South Africa and the Russia can be
examined as one of the aspects South Africa’s foreign policy towards Russia.
South Africa's trade with Russia does not reflect its potential and leaves much
room for expansion. The establishment of the Joint South Africa/ Russia Business
Council is now the means to achieve greater trade and economic co-operation
between the business sectors of both countries.

The main export commodities from Russia are fertilizers, ferrous metals,
machinery and equipment, whilst the main export commodities from South Africa

34 Department of Foreign Affairs, (2003), Moscow.
35 Department of Foreign Affairs,(2005), Moscow, (http://www.dfa.gov.za)
are citrus plants, fruit, coal, artificial graphite and cellulose. During the 5th ITEC Session, South Africa's Black Economic Empowerment (BEE) entities held meetings with prominent Russian entities, including Norilsk Nickel, Renova, Lukoil etc. The increased interaction between the respective entities could lead to more substantial presence of Russian companies in South Africa.

In line with South Africa's Broad Based Black Economic Empowerment Programmes, the joint venture company United Manganese of Kalahari (UMK) and the Russian Renova Group has been established in order to co-operate on prospecting, mining and processing of manganese ore in the Kalahari basin. Russia adopted a decree in March 2003, following South Africa's recognition of Russia as a market economy in support of World Trade Organisation (WTO) membership, to include South Africa in a list of developing countries that would enjoy preferential trade tariffs and duties with regard to exports to Russia. As, we have seen that, the bilateral relations also expanded significantly under the umbrella of the Intergovernmental Trade and Economic Committee (ITEC) between South Africa and Russia.

4.4. South Africa and China Relations

South Africa and China's relations can be discussed as follows: (i) South Africa and China relations: mutual opportunities, (ii) the two China's dilemma, (iii) the unfolding of formal relations and (iv) economic relations between the two countries.

4.4.1. South Africa and China relations: mutual opportunities

Since the end of the Cold War, the geopolitical importance of the People's Republic of China (PRC) has increased dramatically. The international community sees the PRC as an important player in the global economy as well as a significant force on the diplomatic stage. The post-apartheid South Africa chose to follow the mainstream international consensus was undoubtedly one of the critical tests in

36 The bulk of South Africa exports are made up of vehicle engines (18.8 percent of exports), machines and mechanical appliances (14 percent), fresh grapes (13.8 percent), flat-rolled products or iron (10 percent), pears (6.8 percent), peaches (3.4 percent) amounting to almost 70 percent of South Africa exports to Russia. The major import from Russia, accounting for over 65 percent of South Africa imports, is made up of the nickel group of minerals.
Pretoria’s foreign policy. Debating the two China policies was not easy for the newly elected government given the high premium, it placed on human rights in its foreign policy formulation.

Moreover, both governments demonstrated resounding synergies in their global outlook around South-South cooperation, multiculturalism and the promotion of a fairer international economic order\(^ {37} \). The forging of formal relations between Pretoria and Beijing was heralded as the dawning of a new chapter in South Africa-China relations. Let’s examine some of the areas of cooperation and conflicts between South Africa and China.

**4.4.2. The Two China’s Dilemma**

Since April 1994, South Africa’s foreign policy making has frustrated commentators who have complained about its incoherence and contradictory nature. The newly democratic South Africa would extend relations with Beijing was never in doubt, though what interested Pretoria’s new leadership and foreign policy fraternity was how this relationship would be expressed in diplomatic terms. On the other hand, there were the extensive trade and investment linkages with Taiwan to consider mainland China’s increasing political and economic ascendance in the global setting couldn’t be ignored\(^ {38} \).

The two China’s dilemma forced the Mandela Presidency to realise that arriving at a decision was fraught with internal contradictions. Firstly, forging ties with Beijing would send out a confused message about its own values in terms of its democratic and human rights norms. Secondly, if the leadership sought to switch ties to Beijing, it had to reconcile itself to the laws of financial inducements it received from Taipei. The Hong Kong factor was another consideration. With Hong Kong destined to return to Chinese rule in 1997, Pretoria had to consider the implications with the island, which was South Africa’s fifth largest trading partner at that time. Since there was no formal ties between the PRC and Pretoria, South Africa’s economic interest and political status on the island were not protected by basic law.


\(^ {38} \) Ibid, p.463.
4.4.3. Unfolding of Formal Relations between South Africa and China

The two countries signed a Joint Communique on the establishment of diplomatic relations in December 1997 whereby the South African government affirmed that it would adhere to one-China position. On January 1, 1998, the two countries formally established diplomatic relations and thereby opened a new chapter in their relations. Since then bilateral cooperation between the two countries has been started at high level visits. From South African side, Deputy President Mbeki (April 1998), President Mandela (May 1999), President Mbeki (December 2001) and others have visited to China. From Chinese side Vice-President Hu Jintao (February 1999), President Jiang Zemin (April 2000), Premier Zhu Rongji (September 2002) and others have visited to South Africa. On his state visit in April 2000, Chinese President Jiang Zemin joined President Mbeki in shining the Pretoria Declaration, marking the formal establishment of partnership between the two countries.

In 2004, the Second South Africa PRC -BNC issued a communique which indicated that the two countries had reached on a broad consensus and reaffirmed commitments to the following: (i) promoting peace, stability and development in Africa through the Addis Ababa action plan and the forum on China Africa cooperation, (ii) mutual supports for the New Partnership for Africa’s Development (NEPAD), (iii) South Africa’s recognition of China’s market economy status, (iv) strengthening their cooperative South-South relationship and (v) commitment to the one-China policy.

4.4.4. Economic Relations between South Africa and China

In the early 1990s, the two countries commenced open commercial exchange. The volume of bilateral trade in 1991 was US$ 14million and in 1997 over US$ 1.5 billion. Since the establishment of diplomatic relations bilateral trade has grown rapidly. Between 1998 and 2003, trade between the two countries rose by an annual 36 percent from R 5.3 billion in 1998 to R 23.3 billion in 2003. By the end of the first half of 2004, the volume of China South Africa trade had grown

40 Naidu, n.37, p.467.
substantially to US$ 2.75 billion, a 64 percent increase over the same period. China is now South Africa’s fifth largest trading partner while South Africa is currently China’s biggest trade partner in Africa.\textsuperscript{41}

On December 1, 2000, Ma Xiuhong, Assistant Minister of Foreign Trade and Economic Cooperation, visited South Africa. During the visit, Ma attended the hand-over ceremony of the first 128 sets of low-cost houses constructed with the aid of China. On February 16, 2001, China Construction Bank opened a branch bank in Johannesburg. This was the second a Chinese Bank to open its business in South Africa. President Mbeki attended the opening ceremony and he expressed that the opening of business by China Construction Bank in South Africa signified that there was great potentiality for economic cooperation between two countries. By the end of June 2002, the Chinese government gave its approval to 96 enterprises for their investment in South Africa, with contracted value of US$190 million. South Africa had 205 investment projects in China, with contracted value of US $130 million.\textsuperscript{42}

By March 2004, 111 Chinese investors had registered with China’s Commerce Ministry to invest in South Africa, representing a total investment of $210 million. As of 2004, Chinese FDI to South Africa had amounted to about R 500 million, while South African FDI to China amounted to about R 4 billion\textsuperscript{43}. The economic relations between South Africa and China are set to continue and intensified but Pretoria needs to proceed cautiously if it wants the relationship to be pragmatic.

\textbf{4.5. South Africa and Japan Relations}

The consular relations in 1992 between South Africa and Japan were upgraded to full diplomatic relations in 1994. In the post-apartheid South Africa, Japan’s relations and presence will be of critical importance. Japanese government in 1990s has sought its economic agenda in sub-Saharan Africa through two dual

\begin{footnotesize}
\begin{itemize}
\item \textsuperscript{41} Ibid, p.468.
\item \textsuperscript{42} Ministry of Foreign Affairs, \textit{Trade Relations and Economic and Technical Cooperation}, People’s Republic of China, (2007).
\item \textsuperscript{43} www.dfa.gov.za/docs/2004/chin0621.htm
\end{itemize}
\end{footnotesize}
and integrated processes: a vigorous initiative through the TICAD\textsuperscript{44} and a drive to
draw the region into a system of enhances trade and investment. These have led the
basis for the emergence of new ties between sub-Saharan Africa and Japan.

4.5.1. South Africa and Japan: Partners in Africa (TICAD and NEPAD)

South Africa and Japan are the major partners in the development of the
African continent in general. The two major programmes in this context can be
examined through the TICAD and NEPAD.\textsuperscript{45} TICAD has since evolved into a
major global framework to facilitate the implementation of initiatives for
promoting African development under the dual principle of African "ownership"
and international "partnership". A central feature of this framework is the
cooperation between Asia and Africa.

The TICAD enterprise epitomises the Japanese governments new Africa
thrust. It was inaugurated in Tokyo in October 1993 and was organised by
Japanese government, United Nations Development Programme and a non-
governmental organisation, the global collision for Africa. It drew together
Ministers and Heads of the States of sub-Saharan African officials from World
Bank and representative of EU and DAC donor countries. The purpose of the
conference was to encourage sub-Saharan African States to adopt and advance
economic and political reforms and lastly, to restore international consciousness in
South Africa.

The closer of the TICAD 1 of 1993 identified six goals: (i) political and
economic reforms in Sub-Saharan Africa, (ii) international co-operation to solve
problems related to women's issues, HIV/AIDS, etc. (iii) regional integration and
cooperation in sub-Saharan African countries. Steps to assuage the impact of
natural and other disasters, (v) enhanced private sector activity, (vi) lastly,
application of successful development experiences in Asia to development

\textsuperscript{44} TICAD stands for "Tokyo International Conference on African Development". But it is more
than a conference. TICAD has become a major global framework for Asia and Africa to collaborate
in promoting Africa's development. The first Tokyo Conference was held in 1993.

\textsuperscript{45} NEPAD, New Partnership for Africa's Development is an economic development program of the
African Union. NEPAD was adopted at the 37th session of the Assembly of Heads of State and
activities in Africa and a further expansion of South-South Cooperation. The Second conference (TICAD II), 1998, renewed the commitment to Africa's development challenges with poverty reduction and integration of Africa into the global economy as a primary theme, culminating in the adoption of the Tokyo Agenda for Action (TAA). 47

The third conference (TICAD III), 2003, made an explicit commitment for the TICAD Initiative to support the African Union's New Partnership for Africa's Development (NEPAD), a blueprint for Africa's peace and socio-economic growth and development. 48 Since the establishment of the TICAD in 1993, South Africa and Japan have been key players for the promotion of Africa in various fields.

Another area of partnership between South Africa and Japan is the initiative of the NEPAD. NEPAD aims to provide an overarching vision and policy framework for accelerating economic cooperation and integration among African countries. NEPAD's four primary objectives are: to eradicate poverty, promote sustainable growth and development, integrate Africa in the world economy, and accelerate the empowerment of women. In July 2002, the Durban AU summit supplemented NEPAD with a Declaration on Democracy, Political, Economic and Corporate Governance. Ever since it was set up there has been some tension over the place of NEPAD within the AU programs, given its origins outside the framework of the AU, and the continuing dominant role of South Africa. Japan has been working with NEPAD with South Africa as one of the partner for cooperation.

4.5.2. Political Relations between South Africa and Japan

The full diplomatic relations between South Africa and Japan were commenced in 1994. Former President Nelson Mandela visited Japan in July 1995 and expressed that with the ending of Apartheid in South Africa, relations with Japan could only grow from strength to strength. Subsequent to Mandela's visit,


47 The TAA outlined a framework of cooperation in the TICAD process identifying shared goals, objectives and guidelines for actions to be taken by Africa and its partners.

48 TICAD III was held in Tokyo with high-level participation of African leaders, including 23 heads of State, and 10 heads of International Organisations.
the then Deputy President Thabo Mbeki held a working visit to Tokyo in April 1998 which contributed to the strengthening of relations between the two countries. It was also during this visit that Mbeki first articulated his African Renaissance concept and vision, for the integration of Africa as an equal member of the globalised world community.

Acknowledging that Japan and South Africa were important partners, the then Prime Minister, Ryutaro Hashimoto and Deputy President Mbeki declared “Partnership between South Africa and Japan towards the 21st Century” in order to strengthen the bilateral relations. Since then, the South Africa-Japan Partnership Forum was institutionalised and the ninth session of the forum was held in January 2009 in Tokyo. In October 1998, the then Deputy President Mbeki attended the Second Tokyo International Conference on Africa’s Development (TICAD II).

In January 2001, former Prime Minister Yoshiro Mori visited to South Africa and discussed a variety of bilateral and multilateral issues. The then President, Mbeki paid a State Visit to Japan in October 2001, at the invitation of the Government of Japan. During the visit, both countries confirmed their common views on many issues facing the international community in the twenty-first century. Japan commended South Africa for its leadership in the Non Aligned Movement (NAM) and the Commonwealth, and its contributions to the UN World Conference Against Racism (WCAR). The two countries also reaffirmed the need to strengthen cooperation on other global environmental issues like UN Framework Convention on Climate Change (COP7), October-November 2001, the Third World Water Forum in Kyoto in March 2003 etc.

Through its Overseas Development Assistance (ODA) programme, Japan has been very supportive of South Africa, to assist in its nation building. Japan granted South Africa ODA packages in 1994 and again in 1999 (estimated at about $1.5 bn each). The ODA programme was mainly intended for the disadvantaged communities in South Africa in sectors such as education, sanitation, and the

50 During the visit, the then President Mbeki and Mori also emphasised Japan’s contribution to global peace and prosperity and its wish to synchronise the TICAD process with the New Partnership for Africa’s Development (NEPAD).
provision of medical and water facilities. As can be seen above, since 1994, South Africa’s relations with Japan developed on the basis of two pillars at least: South Africa-Japan Partnership Forum, Japan-South Africa Business Forum.\textsuperscript{52} It can be seen that South Africa and Japan have been maintaining a bonhomie political relations since the end of the apartheid period.

4.5.3. Economic Relations between South Africa and Japan

Since 1994, South Africa has started a new economic relation with Japan. This is evident in the progressive involvement of the Japanese state and business since 1994. Apart from rekindling of political relations which was commenced in 1992 and culminated in an official visit by Deputy President Mbeki in 1998. Japan has also exhibited a distinct developmental interest in South Africa. South Africa has enjoyed a positive net trade with Japan since 1999 and in 2007 the trade balance was over R13 billion. Key Japanese exports to South Africa include the transport, especially automobiles and machinery, especially electrical machinery sectors. Whereas, the key South African exports include base metals, notably Ferro-alloys, non-ferrous metals, and intermediate iron and steel products.

As we have already seen that, in 1994, the Japanese government committed an aid package amounting to $1.3 billion. In terms of absolute volume, this presently ranks South Africa as the largest recipient of Japanese aid in sub-Saharan Africa. The Japanese state, through its extension of aid to South Africa, also projects a regional bent. The 1994 aid commitment to South Africa included a substantial portion of ODA geared for disbursal as a grant assistance, technical cooperation and concessional loan funding (a total volume of $300 million)\textsuperscript{53}. The TICAD II Asia-Africa cooperation programme of 1998 is aimed at a deepening and amplification of Japan’s economic cooperation in sub-Saharan African particularly in South Africa.

Since 2000 and 2001 onwards vehicle exports from South Africa, the BMW 3 Series and Mercedes C Class, became the first value-added products to be

\textsuperscript{52} Katsuhiko Kitagawa, "Determinants of Japanese Perceptions and Policies towards South Africa", paper delivered on 11-12 November 2009 at the School of International Studies, JNU, New Delhi, (2009).

\textsuperscript{53} Cornelissen, n.46, p.18.
registered amongst South Africa’s key exports to Japan. Let’s examine South Africa’s trade with Japan from 2000-2007. (Table 4.2).

**Table 4.2: South Africa’s Trade with Japan (Rands – 000)**

<table>
<thead>
<tr>
<th>Year</th>
<th>2000</th>
<th>2001</th>
<th>2002</th>
<th>2003</th>
<th>2004</th>
<th>2005</th>
<th>2006</th>
<th>2007</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Exports</strong></td>
<td>16,867,009</td>
<td>19,474,064</td>
<td>24,783,866</td>
<td>24,172,021</td>
<td>26,601,871</td>
<td>33,156,988</td>
<td>41,315,989</td>
<td>50,400,492</td>
</tr>
<tr>
<td><strong>Imports</strong></td>
<td>14,838,870</td>
<td>14,698,791</td>
<td>19,122,094</td>
<td>18,236,646</td>
<td>20,942,096</td>
<td>23,750,596</td>
<td>30,261,109</td>
<td>36,978,079</td>
</tr>
<tr>
<td><strong>Net Trade Balance</strong></td>
<td>2,028,139</td>
<td>4,775,273</td>
<td>5,661,472</td>
<td>5,935,375</td>
<td>5,659,775</td>
<td>9,406,392</td>
<td>11,054,880</td>
<td>13,422,413</td>
</tr>
</tbody>
</table>

**Source:** Customs and Excise, Trade Statistics (2000 – 2007)

4.5.4. Major Challenges between South Africa and Japan

The four major challenges and opportunities that lie ahead particularly with regard to further cooperation between South Africa and Japan for African development can be examined as follows.

(i) NEPAD

The first challenge to develop the cooperation between the two countries is the programme of NEPAD. NEPAD is an epoch-making achievement for Africa. Through this programme, Africa has agreed on economic development principles and the importance of good governance. The APRM (African Peer Review Mechanism) is an innovative idea to push forward good political and economic governance. Yet NEPAD is an enormously challenging, ambitious enterprise. It is more than a set of political declarations. It is meant to be an operational program. Therein lies the real challenge of NEPAD.

Japan works with NEPAD. It has made an expert available to the NEPAD secretariat, and in the autumn of 2004 Japan concluded an agreement with NEPAD to enlarge and implement the SMASSE (Strengthening Mathematics and Science in Secondary Education) projects for re-training science and mathematics teachers.
in African countries. Japan, so far, has collaborated with NEPAD over programs of $490,000 worth (as of February 2005)\(^{54}\).

(ii) **Asia-Africa Cooperation**

The second important opportunity is the Asia-Africa cooperation where South Africa and Japan took major initiatives. TICAD III agreed on promoting Asia-Africa cooperation. Lessons could be learned from Asian developmental experiences. However, the more important values of Asia for Africa are in business and investment partnership. Asia is already an important trading partner of Africa and an important investor in Africa. In 2000, Japan initiated within the UNDP the Asia Africa Business Forum. It is a program for business people from both Asia and Africa to meet and discuss mutual business opportunities with a view to reaching concrete business agreements. In order to push forward cooperation the Asia-Africa Summit was co-hosted by the Presidents of South Africa and Indonesia in April 2005.

Another form of cooperation that Japan strenuously promotes is called South-South or Trilateral Cooperation where Japan and another country collaborate to help another third country. Already Japan has been working with, for example, Morocco and Tunisia to train ‘third country’ African citizens in capacity building. Japan and South Africa are well positioned to do similar work in various fields. In October 2004 South Africa and Japan (JICA) conducted a training seminar for police officials of the Democratic Republic of Congo.\(^{55}\)

(iii) **Cooperation for Peace Consolidation**

South Africa and Japan have been cooperating in peace building efforts. Japan has publicly stated that it wanted to engage more in peace consolidation efforts. Africa is actively trying to resolve its own conflicts and build peace in the continent. As the African Union spearheads these efforts, Japan, for its part, has, since 1996, contributed an accumulation of approximately $2 million to the AU Peace Fund. Further, it is hoped that Japan will find an appropriate way to help African countries to train its personnel for UN Peace Keeping Operations (PKO)


\(^{55}\) Ibid, p.4.
activities. And it is also hoped that Japan will be participating in more of UN PKO activities in Africa.\textsuperscript{56}

(iv) South Africa as an "African Engine"

Finally, South Africa is destined to be a major engine of economic growth in Africa, given its economic size and development. Its success in economic development is good for economies in the rest of Africa; it provides not only a constructive model for economic development, but also a market for other African countries' products as well as capital necessary for development. Japan's ODA, trade and investment altogether contributes to the development of South Africa.\textsuperscript{57}

Trade continues to be brisk between Japan and South Africa. Japan's trade with South Africa amounts to about half of Japan's total trade with the entire African continent. In 2004, Japan imported approximately $4.5 billion worth of goods from South Africa, (12 percent up from the previous year), and Japan's exports to South Africa amounted to ¥314.4 billion (approximately $2.9 billion, 33 percent up from the previous year). Total both way trade for 2004 was ¥812.6 billion (approximately $7.4 billion), 25 percent up from previous year.\textsuperscript{58} Main items of South Africa's exports to Japan are rare metals and now automobiles. South Africa has become one of the major automobile exporters to Japan. Japan's exports to South Africa, in terms of basic trends, remains steady, reflecting the increasing direct Japanese investments, particularly in automotive industries, which tends to substitute imports from Japan.

Japan is the fifth largest investor in South Africa. Automotive industries constitute an important part of Japan's investments in South Africa. Japanese automotive industries are expanding their investments in South Africa and they are establishing their South African production facilities as platforms for export to

\textsuperscript{56} Peace-making and peace-building need to be comprehensive and conducted seamlessly. Experience shows that Japan is good at working in this transition from peace-making to rehabilitation and reconstruction.

\textsuperscript{57} Japan offered assistance packages of $1.3 billion and $1.5 billion in 1994 and 1999 respectively. Japan's priority areas are education, water supplies, health care and job training including capacity training. Given the level of development of the South African economy, trade and investment is extremely important.

\textsuperscript{58} Shigeie, n.54, p.4.
other markets in the world including Africa and Europe.59 From the above areas of issues and co operations, it can be seen that South Africa and Japan have both challenges and opportunities for African development in various areas.

South Africa’s relations with major powers like the USA, European Union (EU), Russia, China and Japan have been discussed. It can be said that USA has consistently been the largest foreign investor in the post-apartheid South Africa. It is found that South Africa has been maintaining good relations with the EU countries. The most important of these relations are the bilateral relationship followed by the regional and continental dimensions. It has been seen that, South African and Russian diplomatic relations have been stronger in form than content. The present chapter has also examined South Africa’s relation with China. It has been found that South Africa and Japan are the major partners in the development of the African continent in general. Since 1994, South Africa’s relations with Japan developed on the basis of two pillars: South Africa-Japan Partnership Forum, Japan-South Africa Business Forum.

The next chapter will discuss South Africa and International Organisations. It includes the role and contribution of South Africa to the United Nations (UN). The chapter also examines South Africa’s relations with the Non-Aligned Movement (NAM) and Commonwealth of Nations in the post apartheid period. Finally, the chapter also tries to find out Afro-Asian cooperation in the context of the South Africa-ASEAN (Association of South East Asian Nations) relations.

59 Ibid, p.4.