

MINISTERIAL STATEMENT AT LAUNCH OF NEW ZEALAND – SOUTH AFRICA TRACK II TRADE STUDY

On Friday 21 October 2011, Hon Rob Davies, South African Minister for Trade & Industry, and Hon Tim Groser, New Zealand Minister for Trade, were pleased to announce the results of a study of trade trends between New Zealand and South Africa.

The study took place against a background of high-level visits to South Africa by then Prime Minister Helen Clark in 2006 and Prime Minister John Key in 2010 and to New Zealand by former Deputy President Mlambo-Ngcuka in 2006, and Deputy President Kgalema Motlanthe in 2011. A business delegation led by Minister Davies accompanied Deputy President Motlanthe on his visit.

The study, jointly commissioned by the Department of Trade and Industry (**the dti**) and the Ministry of Foreign Affairs and Trade and undertaken by *Trade and Industrial Policy Strategies (TIPS)* and *Infometrics*, was concluded in May 2011. The study identifies sectors already performing strongly as well as highlighting others with growth potential. It identifies measures which might be undertaken by both countries that could help grow the trade relationship, and assesses their relative priority.

The study revealed areas for potential growth in the two countries' already strong trade relationship. For South Africa, undeveloped potential exists in a range of machinery and stainless steel products, while there are opportunities for New Zealand in wood products, beef and unwrought aluminium. Both countries could grow their trade in services.

Total trade between the two countries was worth NZ\$359 million /R1.7billion in 2010, up 6 percent on the previous year.

Ministers welcomed the study as an important tool to give focussed attention to the bilateral relationship and a valuable step in strengthening our trade ties. They acknowledged that Government had an important role to play in promoting a robust trading relationship.

Ministers have directed officials to finalise a work programme for considering and taking forward recommendations emanating from the study, and as a platform for building stronger engagement between key players such as government, business and community.