
GENERAL NOTICE

NOTICE 146 OF 2006

DRAFT NOTICE IN THE GOVERNMENT GAZETTE

DEPARTMENT OF TRADE AND INDUSTRY
International Trade and Economic Development (ITED)

FREE TRADE AREA AGREEMENT BETWEEN SACU AND THE EFTA STATES
(SACU consists of Botswana, Lesotho, Namibia, South Africa and Swaziland. EFTA consists of Iceland, Liechtenstein, Norway and Switzerland)

It is hereby announced, for general information, that the free trade area (FTA) negotiations between the Southern African Customs Union (SACU) and the European Free Trade Association (EFTA) have been concluded.

The agreement, which is the first free trade area negotiated by SACU under the common negotiating mechanism provided for in Art. 31 of the new SACU Agreement, is currently subject to technical and legal review. It is expected to be signed during the first quarter of 2006, after which it would be ratified and promulgated, in accordance with the constitutional requirements of the parties. It is not expected to enter into force before 1 July 2006. The agreement will thereafter be phased-in over a period of up to 10 years. Once it is fully implemented, it would allow substantially all trade to move duty free across the customs borders between the Parties.

The EFTA States are the only countries in Western Europe that are not parties to the EU. An important point of departure was therefore to harmonize the agreement with the Trade, Development and Cooperation Agreement between South Africa and the 25 member states of the European Union (EU). The ultimate objective is to have one set of trade rules with all the countries in Western and Central Europe. The agreement contains features that would form an important benchmark not only in the review of the TDCA, which has been embarked upon, but also in other freetrade negotiations with the developed world.

Although the details of the agreement will only be published after it has been signed, NEDLAC constituents can in the mean time contact the NEDLAC Secretariat at tel: (011) 328 4200 or Fax: (011) 447 605312089.

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