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## Programme Paper

# UK–South Africa Relations and the Bilateral Forum

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## **SOUTH AFRICA – UK RELATIONS**

The 9th bi-annual UK-South Africa Bilateral Forum takes place in London on 9 June 2011. South Africa is the UK's largest trade partner in Africa and an important partner for the UK in a number of key areas. The Parliamentary Under-Secretary of State at the FCO, Henry Bellingham MP, announced after his visit to the country in December 2011 that bilateral trade should be doubled by 2015. Ties between the UK and South Africa go much further, and include shared language and cultural links, similar systems of law and finance, and a shared passion for sport. Both countries also share a common interest in promoting trade and a rules-based international system.

### **The UK-South Africa Bilateral Forum**

The South Africa-UK Bilateral Forum was established in 1997 to regulate and enhance political and economic relations between South Africa and the UK. The forum used to meet on an annual basis but now meets bi-annually. South Africa has an increasing number of such arrangements and despite concerns that this may have diminished the value of some forums they can play a significant role. Nevertheless, for the UK it is much more exceptional to have such a forum, providing a novel framework for interaction and stocktaking within a valued relationship.

Since 1997 the forums have included top level meetings, for instance between then Prime Minister Blair and Thabo Mbeki at the Fourth UK-South Africa Bilateral Forum which took place at 10 Downing Street in June 2001. Mr Mbeki visited the UK again in May 2006 at the end of the Seventh UK-South Africa Bilateral Forum at Lancaster House, and South Africa hosted Foreign Secretary David Miliband and a high-level UK government delegation in Pretoria for the 8th bi-annual UK-South Africa Bilateral Forum on 7 July 2008.

The thematic priorities for the Forum include conflict prevention, counter-terrorism and counter-proliferation, climate change, and migration, as well as 'fostering strong, sustainable, open and inclusive economies'. However, important issues such as Zimbabwe or historic apartheid era grievances as well as visa requirements for South Africans to the UK have also featured, and have sometimes hampered discussion of other shared challenges and interests.

## Economic Partnership

Britain is one of South Africa's major foreign trading partners despite slipping over the past decade (see Figure 1). The UK was South Africa's third biggest source of imports from 1998 until 2003 but then dropped to sixth position in 2008. Similarly, the UK was the top recipient of South African goods in 2001 and 2002 but dropped to fourth position in 2008.

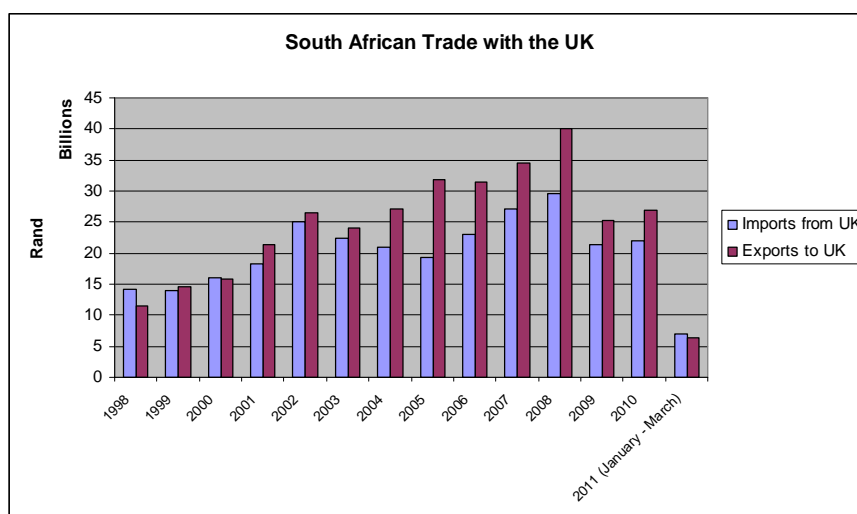
Figure 1: The position of the UK in South African Trade



Source: South African Revenue Service

Compared to ten years earlier (1998) the UK has been overtaken by Germany, China, USA, Saudi Arabia and Japan as South Africa's biggest sources of imports. In terms of South Africa's biggest export market, the UK was overtaken by Japan, USA and Germany over the same decade.

Figure 2: South African Trade with the UK



Source: HM Revenue & Customs, uktradeinfo

Nevertheless, South Africa remains one of the top 20 exporters to the UK and exports from South Africa to the UK had been growing at 3.9 percent annually prior to the global financial crisis.

South Africa's biggest imports from the UK are turbo jets, turbo propellers, gas turbines, machinery, mechanical appliances, electrical equipment, vehicles (including aircraft and vessels), chemicals and allied products.

Exports to Britain are dominated by natural and precious stones, mineral products, vehicles (including vessels), machinery and mechanical products, fruit and vegetable products, base metals and articles, prepared foodstuffs and beverages, which cumulatively account for 90 percent of South Africa's exports to Britain.

The UK also remains one of the top two largest foreign investors in South Africa. UK companies have also been active before and during the 2010 FIFA World Cup™. In return, there are over 200 South African companies that have established a presence in the UK.

## THE FUTURE

The UK and South Africa share many common interests in an increasingly competitive multi-polar world. Both countries are adjusting to the new global realities brought on by the financial crisis and rise of emerging powers, including within Africa. Both countries continue to seek a global role with limited resources and innovative reliance on cultural and soft power diplomacy. The UK and South Africa also have common domestic challenges and opportunities arising from generational change, immigration and increasingly multicultural populations. International Relations and Cooperation Minister Maite Nkoana-Mashabane has described the upcoming talks as 'an important milestone' and said that the forum will help enhance relations over coming years. Whatever the inevitable problems arising from the history, emotion and occasionally personality politics inherent in the relationship, it is certainly important that policy makers find a way to focus on these shared interests for mutual and global benefit.