

# SA, Moz elevate economic partnership with ground-breaking pact

South Africa and Mozambique have signed a memorandum of understanding (MoU) on economic cooperation which will provide a broad basis for cooperation between the two sister countries.



Dr Rob Davies, minister of trade and industry

The MoU's intention is to find new approaches and strategies of consolidating, expanding and deepening areas of economic development, investment promotion, industrial, trade and technical cooperation.

"The signing of this MoU is a key milestone in our bilateral relations and cooperation for a number of reasons: it is a new generation type of an agreement that is based on a couple of new departures. The first one is that it is very much detailed about the level of cooperation and specifically identifies a number of infrastructure projects that we will be collaborating on.

"Secondly, it is time-bound, as it will last for only five years, after which it can be renewed," said Minister of Trade and Industry, Dr Rob Davies, at the signing ceremony. Mozambique's Minister of Trade and Industry, Ragendra Berta de Sousa, signed on behalf of his country.

## Building investment relations

Davies said the MoU also fits in perfectly with the vision of the dti that is characterised by the investment-led trade into the rest of Africa. A unit, Trade Invest Africa, was established in the department to drive this initiative.

Mozambique is a significant trading partner for South Africa.

“We do not think that we are serving our relationship well just by practising the traditional way of doing trade.

“By building investment relations, we are creating the basis for a more equitable and more balanced pattern of trade, in line with our approach of positioning South Africa as a development partner on the continent. That is the basis on which we cement the whole of our sustainable and long-term trade and economic relations throughout the continent,” said Davies.

De Soussa said the MoU will go a long way to strengthening economic relations between SA and Mozambique, and contributing to increasing collaboration, partnerships, trade and investment between the two countries.

The MoU will provide a framework under which developmental projects, which cover a broad spectrum of sectors, can be pursued.

## **Deeper cooperation**

These projects will form a basis for deeper cooperation between the two countries.

Sectors that will be explored for cooperation under the MoU include agriculture and agro-processing; special economic zones and industrial parks; mining, processing and value-addition of natural resources; transport and communications infrastructure; pharmaceuticals; tourism; clothing and textiles; creative industries and manufacturing.

Total trade between the two countries has remained strong over the past five years, increasing from R39.5bn in 2013 to R50.8bn in 2017.

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