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*Report – Web-Talk*

## **“South Africa’s Perspective on Evolving Geo- Economic Trends and Pakistan South Africa Economic Ties”**

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The Centre for Middle East & Africa (CMEA) at the Institute of Strategic Studies Islamabad (ISSI) organised a web talk on “South Africa’s Perspective on Evolving Geo-Economic Trends and Pakistan South Africa Economic Ties” on November 18, 2020. The web talk was delivered by H.E. Ambassador Mthuthuzeli Madikiza, the High Commissioner of the Republic of South Africa to Pakistan. Ms. Amina, Director Centre for Middle East & Africa (CMEA), moderated the event. Ambassador Aizaz Ahmad Chaudhry, Director General ISSI, opened the event with his remarks. The closing remarks were delivered by Ambassador Khalid Mahmood, Chairman Board of Governors, ISSI.

Ms. Amina Khan, Director Centre for Middle East and Africa (CMEA) in her welcome remarks stated that Pakistan and South Africa ties are highly valued since the establishment of their diplomatic ties in 1994. South Africa and Pakistan share several commonalities such as their struggle against colonialism and the vision of the late Nelson Mandela. South Africa is one of the top trading partners of Pakistan from the African continent. Thus, extension and consolidation of trade and economic relations between two countries is pivotal. South Africa considers Pakistan an important market for business cooperation and is keen to further enhance the volume of bilateral trade. Under its ‘Engage Africa Policy,’ Pakistan looks forward to further deepening its political, and economic ties with South Africa.

Ambassador Aizaz Ahmad Chaudhry, Director General ISSI, during his remarks expressed that, the present government of Pakistan attaches high priority to economic diplomacy particularly with Africa. CMEA was created out of this desire by Pakistan’s Foreign Minister, Shah Mahmood Qureshi, to have stronger economic and commercial ties with Africa. While praising South Africa as one of the leading economies within the African Continent, Ambassador Chaudhry said that Pakistan envisages a closer cooperation with South Africa in future.

Ambassador Madikiza welcomed the establishment of CMEA as a Centre of Excellence within the ISSI and stated that he looked forward to closer cooperation and interactions on issues of mutual interest. He said that at present, the character of global affairs and arrangement of the global order results from increasingly volatile global processes that has re-shaped traditional notions of uni-polarity, including the swinging of the pendulum from the West to the East.

He expressed that, stronger ties and increased collaboration between the African Continent and partner countries in the Asian region have been growing steadily over the years. This has also strengthened the notion of progressive internationalism, which entails opposition to the perpetuation of the legacy of global imperialism, colonialism, racism, the dominance of the global North over the South, as well as global structural inequality and poverty.

He further went on by saying that over the past 20 years, the China-Africa Cooperation Forum has continuously been improved and upgraded and now it is an important platform for consultation and dialogue between China and Africa. He stated that the current state of geopolitics is in flux, the Coronavirus pandemic is worsening existing global animosities among powerful nations, as well as exacerbating global inequality. African continent has also felt its devastating impact on national economies of poor and developing nations, including South Africa's economy as well. The task of economic recovery will be difficult in the wake of COVID-19 and it will require promotion of global investment and trade.

He stated that in his travels and engagements so far in Pakistan, he has been awestruck by, among other things, the resilience and ingenuity of the Pakistani society and especially its companies, many of whom are large multinationals, well-adapted to weathering all sorts of storms.

He appreciated Pakistan's increased focus on enhancing political and economic relations with the African Continent - especially through the "*Look Africa*" and "*Engage Africa*" policies.

Talking about South Africa and Pakistan's bilateral ties, he remarked that both sides enjoy excellent and cordial bilateral relations. This partnership has evolved over the years and expanded to include strong people-to-people links and new and exciting opportunities.

One of the top priorities, he said is to expand the economic relations to mutual benefit of respective countries. The total bilateral trade between South Africa and Pakistan has increased from \$186 million in 2003 to \$1.052 billion in 2019 with steady increase on yearly basis. According to him the total bilateral trade between South Africa and Pakistan in 2019 was the 14<sup>th</sup> largest in volume out of the 51 countries that South Africa enjoys trade ties within Asia and the Middle East.

However, he also stressed that there is still significant room for growth, because of the size and resilience of Pakistan's economy. South Africa considers Pakistan an important market for business-to-business cooperation. Bilateral trade and investment relations can be further strengthened by leveraging respective regional market status, sizable populations and large and diverse resources.

Pakistan and South Africa also enjoy considerable cooperation in defence production, with substantial opportunities for strategic and mutually beneficial, long-term partnerships. One area for further expansion of economic ties, he mentioned, is the manufacture and distribution of value-added products, including fast-moving consumer goods, for the African market. Another area is the minerals sector in Pakistan, which provides opportunities for growth and investment.

There are also opportunities for closer cooperation in agriculture and food security and related research and technology.

He suggested that two countries can also grow tourism together. Pakistan is safe destination for various kinds of tourism. South Africa is a popular destination for family holidays and for meetings, incentives, conferences and exhibitions. At present full extent of the economic potential between the two countries is yet to be achieved, especially in the areas of energy, agriculture, higher education, science and technology and health sectors.

In conclusion, he said that the Government and people of South Africa are privileged to stand next to Pakistan as it builds peace and prosperity for its entire people. Both countries face similar challenges and share similar opportunities and thus South Africa is privileged to reconfirm its solidarity with Pakistan, one of the friendliest, most capable, hospitable, vibrant and resilient countries in the world.

Talk was followed by an interactive session which was moderated by Director General.

He asked him that, South Africa has strategic relationship with China and in wake of US-China strategic competition how South Africa would manage its strategic relationship with China and US at the same time and under CPEC is there any possibility of three way cooperation between Pakistan, South Africa and China?

Ambassador Madikiza responded that small countries have to navigate through these kinds of difficulties to be influential in trade and politics of the world. Just like Pakistan, South Africa is managing these relationships with both while emphasizing on its independence and independence is primary right of any nation.

Similarly, while talking about three way cooperation between Pakistan, China and South Africa he said that, in order to have trade South Africa cannot afford to object any opportunity or engagement which is profitable for country. Cooperation that promotes prosperity and equality will be welcomed.

Another question was asked regarding the impacts of Covid-19 on the economy of country. While addressing this he stated that, it has not been an easy task to deal with the situation. Country has gone through the strict lockdown. Luckily lockdown did not become a political issue and it was supported by all the parties. However, with the help of support program and grants we were able to manage our health system but unfortunately Covid-19 will have a long term impact on health system. Government is setting up a national health program to avoid such experiences.

While addressing a question related to water security he stated that, South Africa is water scarce country and there was a big shortage in Western Cape Town two years ago, but now government has put together a range of ways of harvesting to save the rain water. There are highly qualified people in the area of water management. They are working on desalination plants in the coastal areas and trying to improve the sewerage system.

On a question regarding defense production and how South Africa and Pakistan can increase cooperation in this area, the Ambassador responded to this by saying that, there is a lot of complementarity between the capacities in the defense production between two countries. We should expand on in this relationship through exchange of technology and investment.

Ambassador Aizaz, also asked the South African High Commissioner about the impacts of African Continental Free Trade Agreement (ACFTA) on bilateral trade.

Ambassador Madikiza stated that, he does not see it harming the bilateral relations of both countries and it is not intended to create such a problem. It will make trade easier for example if

any Pakistani company opens a subsidiary of anything in any of these countries that product will easily get distributed throughout the continent in this arrangement so it doesn't preclude any bilateral relation at all. It will open up more opportunities.

While addressing a question related to opportunities in academic growth and youth he stated that there is a great potential of exchange in this area. Student exchange programs, university to university cooperation through formal agreements and academics from Pakistan can visit South African universities as visiting lecturers or vice versa.

During the interactive session one of the participants asked the ambassador to give his opinion about the peaceful resolution of Kashmir issue. While giving his opinion he said that South African government and people will always prefer a peaceful resolution of any conflict because they know how devastating a conflict between neighbors especially a military conflict. So, peaceful resolution of Kashmir issue is very crucial.

One of the participants also asked a question regarding Pakistan's Look Africa Policy which the leadership of Pakistan attaches highest priority to in order to promote economic ties trade and investment under Look Africa Policy. The question was whether there was a similar thinking and political will on the part of South Africa to reciprocate ties?

Responding to this question Ambassador stated that South Africa in Pakistan has been engaging at the level of a formal joint commission. The officials of the two countries have decided to recommend that this joint commission is elevated to a political level. A meeting held at a political level was also aimed at formalising this relationship between Pakistan and South Africa but unfortunately it was interrupted by the covid-19. However countries are still working on this, he said.

While responding to a question related to suggestions to increase understanding and opportunities between Pakistan and South Africa he stated that we have a mission here in Islamabad and honorary council in Lahore and are still working on opening another honorary council in Karachi. We should work on tourism, people to people exchange and business, he said.

In his concluding remarks, Ambassador Khalid Mahmood, Chairman BOG ISSI, stated that Pakistan has always been at the forefront of independence struggles of African countries, and has facilitated various African Liberation leaders. He highlighted how the current government of Pakistan is laying special emphasis on building ties with the African continent through its “Engage Africa” policy. He also said that from the African continent opportunities like AFCFTA and Vision 2063 are welcoming developments. He concluded by saying that both Pakistan and South Africa have great potential to work together for maximum mutual benefits.