

South Africa and Mozambique sign trade agreement

*Market South East
25/7/89*

A preferential trade agreement between South Africa and Mozambique came into force on 7 July. Import surcharges on specified Mozambican goods entering South Africa are abolished and customs duties reduced to 3%.

M

ozambique is not obliged to offer the same exemptions to South African exports. The deal could be worth up to \$19m per year, estimates the Mozambican Trade Ministry.

The newly exempted goods are primarily fish, cashews, citrus products, furniture, cigarettes, roofing sheets and tyres. Cotton cloth, carpets and blankets will be included in the agreement later.

Trade between the two countries is nothing new. South African exports have included everything from heavy manufacturing plant to the black armbands and cloth for Samora Machel's funeral procession. Nor does the deal imply membership of the Pretoria-run Southern Africa Customs Union. But the deal does consolidate the structure of existing trade relations and is surprisingly favourable to Mozambique.