

Brics Business Council chair urges swift implementation of AfCFTA

As the chairperson of the Brics Business Council, Patrice Motsepe underscores the critical imperative to expedite the progress and development of the African Continental Free Trade Area (AfCFTA).



Source: African Rainbow Energy. Patrice Motsepe, Brics Business Council chairperson.

The AfCFTA intends to create a single market for goods and services, facilitated by movement of persons in order to deepen the economic integration of the African continent. The single market is expected to grow to 1.7 billion people and nearly \$7tn in consumer and business spending by 2030.

Addressing the 15th Brics Summit in Johannesburg, Motsepe called for a sense of urgency to make sure that trade barriers - both tariff and non-tariff - are significantly diminished and eliminated.

“South African companies are the largest trading partners on the African continent. They are world class with many of them being as good as the best in the world.

“The key issue is that the governments have to increase their partnerships with the private sector and these discussions between the private sector and governments must increase significantly.

“Part of these discussions is for the private sector to indicate to government what impediment and barriers are there to the

free trade of goods and services on the Africa continent,” Motsepe said on Tuesday, 22 August.

Taking place under the theme: “Brics and Africa: Partnership for mutually accelerated growth, sustainable development and inclusive multilateralism,” the summit is being attended by the leaders of Brazil, India, China, as well as South Africa, as the host.

Motsepe stressed that the future of African business depends on its capacity and ability to prove to the rest of the world that it can conduct partnerships, trade, investments as well as the ability to have business relationships that are mutually beneficial.

“The key issue for us is that we have to consistently produce results and indicate that the standards of living of our people are improving because at the heart of these trade ties is the poor, the unemployed and the marginalised,” he said.

Confidence in African economic growth

Motsepe expressed confidence in the continent’s ability to grow its economies.

“We have a clear understanding of the challenges that confront us but we are equally confident based on the facts that the time for Africa has come. We will do well because seven of the fastest growing economies in the world are on the African continent.

“The amount of intra African trade is increasing significantly and the partnership with Brics countries is very important and the relationships of doing business with the rest of the world is also important,” he said.

In an effort for Brics countries to have greater access to markets, Motsepe called for the fast tracking of priority visas for entrepreneurs who are looking for opportunities.



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“We understand that there are legitimate concerns about making sure that governments maintain their sovereign control of who comes and who goes out. We agree with that and support it as well but these are some of the low hanging fruits [that can be addressed].

“We can immediately give preferential access to businessmen from Brics countries. Give them visas, allow them to come and look at opportunities in South Africa as well as on the continent. What we spoke about was reciprocity,” he said.

Unlocking Brics potential

Motsepe said Brics has enormous potential and intends to significantly increase trade, investment and partnership relationships between South Africa, Africa and the Brics countries.

Last year, trade between Brics countries totalled some \$162bn.

“The potential is enormous but again the sense of urgency is what we need to translate the good ideas that we have; these big plans into effective, legislative policy instruments that allow for effective free flow of goods and services. When we started, we wanted to increase the trade between the African continent and Brics countries.



"The commitment and the will is there. A market is an opportunity until you invest and sometimes your investment takes five to seven years before you realise value. There are opportunities in terms of what we can do, the magnitude of how we can grow and the magnitude of how we can grow the trade investment and business ties between South Africa, Africa and Brics countries," Motsepe said.

With South Africa's history with the Brics countries, which emanates during the years of the country's fight for democracy, Motsepe said South Africa is building on those partnerships and they are important.

"We are building on that historical support that they have given to initiatives and the struggle towards democracy. We are using the history that we have with them to build very strong, beneficial business, investment ties and economic growth.

"This Brics partnership has to translate into assessable, quantifiable investment and trade ties and it is doing that. That partnership has resulted in benefits but in relation to where we should be, there is still a long way to go," he said.

Katja Hamilton is at the Brics Summit this week in Johannesburg, reporting live for Bizcommunity.

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