

Address at the Mercosur Summit

Florianopolis, Brazil, 15 December 2000

Your Excellency, Mr. Chairman
Your Excellencies Presidents
Your Excellencies Ministers
Distinguished Guests
Ladies and Gentlemen

I would like to thank the honourable Heads of Government who constitute the membership of Mercosur, for this chance to address you during this Summit.

I would like to stress, at the outset of my brief input that for us, as South Africans, this is a chance to ensure that we build and strengthen our strategic alliance.

We thank you for this invitation, which we understand as both an important message of hope and solidarity and an opportunity for the developing world to work together for our own development.

Obviously, we have to ensure that we put into practice the often-stated idea of active collaboration on matters of common concern.

We are convinced that the future of our people and their prospects of a better life depend on the leadership that we give at this time.

In the many international forums that we all attend, we have consistently stressed the need for a fundamental restructuring of the world economic order as a central condition for the reversal of underdevelopment.

The nature of this restructuring is not an easy matter and requires of the developed world to accept some of the burden of this process.

In international fora - such as the Millennium Summit - the majority of leaders have unequivocally voiced the fact that many of us have arrived at a determination that some of the conditions for movement towards this restructuring of the global economic order are to strengthen our ties, forge closer links, and harness our resources in the developing world.

Yet, in reality our progress has been slow and our collaboration inconsistent. As developing countries we have to radically restructure our economic relations and increase economic cooperation, investments and trade flows between our countries in addition to the existing historical patterns of economic interaction with the developed countries of the North.

We now need to focus our attention on critical areas and act in a concerted and systematic way so as to make the necessary advancements.

In our view, we should address the following issues.

The first is to act together to negotiate a rebalancing of the agreements that govern the world trade and international financial systems. There is a range of areas where the outcomes of previous multilateral negotiations have been weighted against the developing countries. This is not only restrictive of our development but will soon also be a restraint on the continued growth and prosperity of the world economy.

For us to advance our cause in the WTO and structures such as the G20, we will have to have a close and continuous tactical and strategic interaction. We have no effective mechanism to achieve this at present. Some of us in the developing world must engage in a dialogue aimed at changing this situation.

It is fundamentally in our interests to ensure a new round of broad based negotiations in the WTO. This will not happen unless we take initiatives to achieve this resumption. It is a reality of the present that we are not likely to see decisive leadership from the developed countries at this time.

The second area is that which we are all so acutely aware of, and that is the promotion of economic growth and development in our own economies. Here the formation of regional zones of economic cooperation is an essential component of this complex process.

Clearly, Mercosur has, since its formation, made important strides as a trading bloc and I am sure that member states have and continue to derive positive benefits. I understand that in this meeting you have once again agreed on very important steps to the further consolidation of economic integration. This lesson of taking responsibility for our future is fundamental.

However your success, and ours in South Africa, can be even greater if we can now start to forge links between our regional initiatives so as to increase trade and investment relations between other emerging Regions in the developing countries.

One such Region is the Southern African Development Community (SADC). This is a Region that is located in a continent that is unsurpassed in natural resources and increasingly benefiting.

SADC as a whole is currently undergoing far-reaching economic restructuring that will surely boost the levels of growth in the Region, more specifically in the industrial sector.

As in the case of Mercosur, which has achieved such a structural transformation, we are undoubtedly poised for higher levels of growth. There is therefore an opportunity for the two Regions to share the benefits of higher growth through improved investments and trade relations.

It is the realization of this fact that is pulling us together.

The agreement we are about to sign launching a process of exploring freer trade between our regions is indeed a historic step in cooperating for the betterment of the lives of our respective peoples.

Much work remains to be done as we move ahead along this process. We will now be acting to explore sectoral opportunities and encourage greater contact and co-operation between our private sectors.

To succeed, we will have to bring our people with us, so that they understand the longer term purpose of our actions. We will have to find innovative ways of increasing contacts in the fields of business, education and culture, which must underpin and sustain the closer links that we seek to build.

Improved relations would also lead to better co-operation in tackling mutual challenges such as poverty and social in-equalities. More importantly, we would be better positioned to negotiate better trade arrangements with the developed countries and better terms with the multi-lateral institutions.

Perhaps we should consider that one of the concrete outcomes of this historic meeting between Mercosur and South Africa would be to mandate our Trade Ministers to find an effective and urgent way of ensuring a new round in the WTO by the end of 2001 at the latest.

Co-operation would of course go beyond trade and investment issues. Indeed other issues might include capacity building in the areas of conflict prevention and resolution, peacekeeping operations, the reform of international institutions of governance such as the United Nations.

In our Region, we are working to forge new directions towards co-operation and development. Judging by your discussions at this Summit, your processes are matured and advanced. Clearly, conditions for a long-term partnership are ripe in both our Regions.

As representatives of millions of people who yearn for fundamental change and a better life, we should not lose this great opportunity.

I thank you.