

Postive results likely from US-Africa summit says Davies

South Africa and Africa in general benefitted immensely from the recent US-Africa Leaders' Summit held in Washington last week, Trade and Industry Minister Rob Davies said on his return.



Trade and Industry Minister Rob Davies is confident that the Africa Growth and Opportunities Act will be renewed and that the local production of movies in South Africa will increase. Image: GQIS

"By and large, there are a lot of positive things we gained from the summit. The message from all of us was that the African continent needs to industrialise and there were a lot of echoes in that regard," he told reporters during a media briefing in Pretoria.

Davies said the major victory from the summit was the commitment by US President Barack Obama to support the renewal of the Africa Growth Opportunities Act (AGOA), and the various investments he announced for Africa amounting to \$33bn through a programme called Doing Business in Africa.

More than 40 Heads of State and Government, including President Jacob Zuma, attended the summit, which was convened by Obama and focused on peace and security as well as trade between Africa and the the US.

On the renewal of AGOA, Davies said the summit provide a clear indication that US believes a lengthy re-authorisation of AGOA was justified.

"They are looking at possibilities of improving AGOA. They said they are looking at the eligibility criteria as well as examing those countries that no longer qualify. I think that was the message from our side that was pretty good news," he said.

Congress is scheduled to vote on the renewal of AGOA, which expires next year and Obama said he was confident that congress will back the renewal of the scheme.

Film industry has promising future

South Africa is the only country that makes extensive use of the tariff trade preferences provided by the US through AGOA and other schemes.

Meanwhile, Davies said there are a lot of partnerships that South Africa can build with Hollywood studios to grow the local film industry after his visit to Hollywood.

A study conducted by the National Film and Video Foundation found that in 2012, the film industry in SA was employing around 25,000 people compared with just 4,000 about 10 years ago.

Davies attributed the growth in the local film industry to government's role in developing capacity within the industry through rebates and investment in film studios. The rebates programme, which is operated by the Department of Trade and Industry (DTI), which promotes South African productions, allows producers to get between 20% and 25% back in rebates for locally made films.

"This incentive has led to a substantial increase in the number of films produced in SA," Davies said.



President Barack Obama says he is confident that Congress will approve investments in Africa through AGOA. Already \$33bn has been pledged to stimulating investments in Africa. Image: Wikipedia

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