What are regional agreements?

Read the information below and complete the task that follows.

Regional agreements are agreements, set up with countries in the surrounding region, that pertain to trade and other issues.

All countries in Africa belong to the African Union, except for Morocco. The African Union also aims to attract foreign investment to African countries to stimulate growth and development.

South Africa is a member of the Southern African Development Community (SADC). This is a group of 14 nations that trade with each other in a free trade area. The other countries that belong to the SADC are Swaziland, Lesotho, Botswana, Namibia, Zimbabwe, Mozambique, Mauritius, Seychelles, Angola, Zambia, Tanzania, Madagascar and the DRC.

One of the oldest customs unions in the world is the Southern African Customs Union (SACU). Botswana, Namibia, South Africa, Lesotho and Swaziland belong to this union, which was set up in 1910. In 2004 an agreement came into effect between member states which allows for a common external tariff, a revenue-sharing formula and trade between members that is exempt from customs duties.

South Africa also supports the New Partnership for African Development (NEPAD). This initiative was set up by Mr Thabo Mbeki, former South African president, and is meant to gain support for health, education and water issues from the eight most industrialised countries in the world, who are known as the G8. The G8 consist of Canada, France, Germany, Italy, Japan, Russia, the United Kingdom and the United States.
Unscramble the letters in each word in the box below to complete the sentences that follow:

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a) The ________ is one of the oldest customs unions in the world.
b) _________ agreements are important for they enable South Africa to maintain relations with its neighbours regarding trade and other issues.
c) There are _________ countries that belong to the SADC.
d) NEPAD is meant to gain support for, amongst others, _________ issues.
e) This country does not belong to the African Union.
f) A member of the SADC.
g) His name is synonymous with NEPAD.
h) These duties are usually paid when trading with other countries, but not by members of the Southern African Customs Union.
i) A member of the G8 that is in the Far East.
j) The AU aims to stimulate this by attracting foreign investment.

[Total: 10 marks]
## Suggested Solutions

<table>
<thead>
<tr>
<th>Question number</th>
<th>Possible marks</th>
<th>Solution</th>
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</table>
| 1               | 10             | a) The SACU is one of the oldest customs unions in the world.  
                 |                | b) Regional agreements are important for they enable South Africa to maintain relations with its neighbours regarding trade and other issues.  
                 |                | c) There are fourteen countries that belong to the SADC.  
                 |                | d) NEPAD is meant to gain support for, amongst others, education issues.  
                 |                | e) Morocco  
                 |                | f) Lesotho  
                 |                | g) Mbeki  
                 |                | h) customs  
                 |                | i) Japan  
                 |                | j) development |