



Press Release on the visit of the SACU Council Chairperson Honourable Mr. Baledzi Gaolathe, to the SACU Secretariat, 06 May 2008.

1. Honourable Baledzi Gaolathe, Minister of Finance and Development Planning in Botswana and Chairperson of the SACU Council of Ministers, visited the SACU Secretariat, in Windhoek, Namibia on 06 May 2008. During his visit he met with the Executive Secretary of SACU Ms Tswebpele Moremi and the Secretariat Staff. He also met with the Namibian Minister of Finance and Development Planning Honourable Ms. Saara Kuukongelwa - Amadhila and the Botswana High Commissioner for Namibia His Excellency Mr. Norman Moleboge.

2. The main purpose of the Chairperson's visit to the Secretariat was both supervisory and consultative. The Chairperson received a briefing on SACU's work programme in support of the broader regional economic integration agenda in Southern Africa. The briefing covered the implementation of the decisions of Council and some operational matters concerning the SACU Secretariat. The Chairperson also received a briefing on progress made with regards to the implementation of the SACU Headquarters Agreement as well

as the SACU Headquarters building project. The chairperson of Council had an opportunity to visit the site for the proposed SACU Secretariat Headquarters building.

3. Botswana's tenure of Chairmanship, assumed in July 2007, will be coming to an end in July of 2008. The visit provided the Chairman with an opportunity to re-emphasize Council's commitment in ensuring that SACU Institutions operate within an enabling environment and can carry out the directives of Council towards realizing the full implementation of the 2002 SACU Agreement.

The key message that has emerged from the past Council meetings is the need for SACU Member States and the SACU Secretariat to consolidate SACU to ensure that it plays a significant role in deepening regional integration. The consolidation process has a particular significance on how SACU is strategically positioned and also has a bearing on its future integrity and existence as a customs union.

4. When Botswana took over chairmanship in July 2007 she outlined her priorities and focus during her term of office as follows:
 - a) **Finalization of the SACU Wide Strategy** - The outcome of ongoing studies on regional integration to be discussed at the SACU Task Team on Regional Integration meeting scheduled for

the end of May 2008 will serve as an input towards the development of a SACU wide Strategy.

b) **Consolidation of SACU** - This is a necessary ingredient towards the achievement of the objectives of SACU as outlined in Article 2 of the SACU Agreement. Amongst these is the objective to enhance economic development, diversification, industrialization, and competitiveness of Member States. This will entail the full implementation of the provisions of the SACU Agreement such as the establishment of outstanding institutions namely the Tariff Board and the Tribunal and development of common policies. These policies include the industrial policy, agricultural policy and competition policy. Work is currently ongoing in the development of an agricultural policy framework and an industrial policy framework for SACU. A draft Annex on competition policy and another on Unfair Trade Practices have been developed.

c) **Permanent Arrangement for the Management of the Common Revenue Pool** - Since the entry into force of the 2002 SACU Agreement, the Common Revenue Pool has been managed by South Africa on a transitional basis. A number of studies have been conducted to clarify the different management options that are available to SACU. Council has extended the deadline for the decision on the permanent arrangement for the management of the pool from 1st April

2008 to 31st March 2009 with implementation beginning at the start of the 2009/10 financial year.

- d) **Common Negotiating Mechanism for SACU Trade Relations with third parties:** An important objective for SACU is enhancing its integration into the global economy through trade. The draft Common Negotiating Mechanism will soon be tabled to Council for approval. This will serve as a common basis to ensure effective negotiation by SACU at regional and multilateral fora. A lot of progress has been witnessed in SACU's trade negotiations with third parties. Completed is the SACU - EFTA FTA¹ and the SADC Protocol on Trade. Ongoing trade negotiations include the SACU MERCOSUR PTA² which is to be concluded in June this year, the SACU India PTA whose expected conclusion is December 2008 and the SACU USA Trade, Investment, Development Co-operation Agreement (TIDCA) which is to be signed during the course of 2008. Future planned negotiations include the SACU - East African Community (EAC) and the SACU - China negotiations. Preparations and research for both these negotiations has begun.

In addition to the above the establishment of both the tribunal and the tariff board are at an advanced stage; the trade

¹ SACU Free Trade Agreement (FTA) with the EFTA Group of Countries: Iceland, Norway, Switzerland and Liechtenstein.

² SACU Preferential Trade Agreement (PTA) with the MERCOSUR Group of Countries: Argentina, Brazil, Paraguay and Venezuela.

facilitation initiatives are being fast tracked and work in earnest is being carried out with regards to facilitating a stable operational environment for the Secretariat through the review of policies and procedures.

SACU Secretariat

Windhoek, Namibia

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