



24 March 2009

**SACU Secretariat attends Botswana Exporters and Manufacturer
Association (BEMA) Meeting 19 - 20 March 2009**

1. The Botswana Exporters and Manufacturers Association convened a regional workshop to discuss impediments to intra-SACU trade on 19-20 March 2009 in Gaborone Botswana. The meeting was attended by BEMA membership, as well as business associations from Lesotho, Namibia and Swaziland. An invitation had been sent to the Business Associations from South Africa, however they could not attend. Mr. Dumisani Mahlinza, The Director Trade Facilitation and Revenue Management attended the workshop on behalf of the Secretariat.
2. The purpose of the workshop was to discuss impediments to doing business in SACU with a view to preparing a report that would be submitted by each of the Business Associations to their governments. In order to facilitate discussions, BEMA had engaged MTM Consulting Group from Botswana to prepare a background document on the impediments, focussing on non-tariff barriers and their effects on trade. BEMA also invited the SADC Secretariat who made a presentation on monitoring Non Technical Barriers to Trade (NTBs) and the SACU Secretariat who provided an input on the SACU programme on NTBs and how some of these issues were being addressed.

3. MTM Consulting Group highlighted the key NTBs applicable in the SACU region as follows: import bans, price controls, quantitative restrictions, levies and surcharges applicable on imports, differing VAT rates, Infant Industry Protection measures, non-uniform customs administration procedures, differing border operating hours, existence of state marketing, import licensing, differing border transport charges. The paper also highlights the weaknesses in the provisions of the 2002 Agreement that seek to address TBTs and Sanitary Phytosanitary (SPS) issues. The paper also notes that SACU is currently working with UNCTAD to develop a competition policy and an Annex on Unfair Trade Practices. It also highlights the on-line compliance monitoring mechanism for tracking TBTs that has been developed by SADC.
4. Following extensive discussion on the problems experienced by economic operators in doing business in SACU, the following key recommendations were made:
 - To address inconsistent application of customs procedures between officials and between borders, there was need to develop a focussed training programme for customs officers.
 - To delays in the administration of VAT refunds; there was need for all Member States to agree on a strict timeline for refunds.
 - There is need to train the business association on the identification of NTBs.
 - SACU Member States should address issues around the levying of VAT on exports as this affects cash flow. It was explained that on export from South Africa, VAT was levied depending on whether the transporter was RSA registered or BLNS registered. RSA registered transporters are not charged VAT on the exports thereby giving them unfair advantage over BLNS transporters.
 - There is need for SACU to focus on the harmonisation of customs procedures.

- SACU should look at the introduction of a SACU Transit bond to circumvent the problem of acquittals experienced by exporters.
 - While Infant Industry Protection (IIP) is supported, consideration should be given to implementing a phased IIP tariff reduction programme with strict timelines. It was also noted that protection should be for a limited time.
 - SACU should define a role for the private sector in its structures.
5. The meeting provided a useful opportunity to obtain first hand information on the concerns of the business community. The presence of the Secretariat was highly appreciated and the Business Associations from the other Member States were keen to invite the Secretariat to make presentation at national meetings.

END

SACU Secretariat.

www.sacu.int