



06 November 2009

Press Statement

3rd Trade Policy Review of the Southern African Customs Union (SACU) by the World Trade Organization (WTO), 04 and 06 November 2009, Geneva, Switzerland.

"Balanced Economic Development through Deeper Regional Integration"

1. The Southern African Customs Union (SACU) has successfully completed its 3rd Trade Policy Review conducted by the World Trade Organization (WTO). The Review took place on the 04 and 06 November 2009 at the WTO Headquarters in Geneva, Switzerland. SACU's 3rd Trade Policy Review was held under the leadership of H.E. Dr. Istvan Major, Ambassador of Hungary to Geneva, and current Chairperson of the WTO Trade Policy Review Body, while H.E. Dr. Yonov Fredric Agah, Ambassador of Nigeria to Geneva, was the Discussant for the 3rd SACU Trade Policy Review.
2. Namibia, through Dr. Malan Lindeque, Permanent Secretary of Trade and Industry of Namibia, led the SACU delegation and delivered Statements in the first and second Sessions of the meeting of the WTO Trade Policy Review Body on behalf of the five SACU Member States, comprising of Botswana, Lesotho, Namibia, South Africa and Swaziland.
3. Trade Policy Reviews are an exercise, mandated in the WTO agreements, in which the trade and related policies of individual Member States of the WTO, Regional Economic Communities (RECs) and their member countries' are examined and evaluated at regular intervals for purposes of Transparency. Trade Policy Reviews are also used to monitor any significant developments that may have an impact on the global trading system. This is the third Trade Policy Review that SACU and its Member Countries have undergone. The first SACU Trade Policy Review was held in 1998, while the second took place in 2003.

4. In preparation for the Review, several background documents were prepared: a policy statement by the leader of SACU delegation, in this case Namibia, a detailed report written independently by the WTO Secretariat about the Customs Union, comprising an overall Report on SACU and five Country Annexes on each Member State, and five Government Reports prepared by each Member State. These documents are available on the World Trade Organization website at http://www.wto.org/english/tratop_e/tpr_e/tp322_e.htm
5. The documents are circulated among the WTO Membership in advance of the Review and discussed by the WTO's full membership in the meeting of the Trade Policy Review Body (TPRB).
6. For the 3rd Trade Policy Review of SACU a total of 37 WTO Member States raised questions and comments on which SACU provided responses in the run up to and during the Review. These questions were centered around five key areas:
 - The institutional Structure and Functioning of SACU
 - Regional Integration Developments
 - The Impact of the Global Economic Crises on SACU
 - The Multilateral Trading System and the Doha Development Round of Negotiations
 - Trade Liberalization, Trade Reforms and the openness of SACU Economies.
7. In his closing Statement on behalf of SACU, Dr. Lindeque expressed his appreciation for the interest shown by WTO Members in SACU and for the questions, comments and encouragement received during the 3rd SACU Trade Policy Review. Dr Lindeque indicated that the 2002 SACU Agreement, which entered into force in 2004, heralded a new era for deepening integration in the region through the establishment of common institutions, common policies and procedures and democratic decision making processes, bringing SACU more in line with International Trade trends and practices.
8. Dr. Lindeque indicated that though several WTO Members had referred to the difference that exist in the levels of economic development among SACU member States, the region has managed to achieve an average growth rate of 4% since the last SACU Trade Policy Review. He stated that

SACU will continue to strengthen and deepen integration within the Customs Union and support other regional initiatives that aim to enhance trade and economic integration.

9. Regarding the Impact of the global economic crises, Dr. Lindeque indicated that SACU has been affected through lower commodity prices, a reduction in the demand for its exports in the global and regional markets and a contraction of industrial activity, which led to job losses. He indicated however that, during the economic crises, SACU experienced an increase in Trade among its Member States, evidence that the Customs Union provides a measure of shelter against external and global shocks.
10. With respect to the multilateral trading system, Dr. Lindeque reaffirmed SACU's commitment to multilateral trading system and indicated that SACU has actively participated in WTO Negotiations and the Doha Development Round of trade negotiations thus far. He reiterated that SACU is looking forward to the successful conclusion of the Doha Round based on its development mandate. He also urged WTO Members to ensure that the Doha Round produces an outcome that leads to improved market access for economic operators from developing nations seeking market access in developed nations.
11. Dr. Lindeque also responded to comments and queries raised by WTO Members in relation to trade liberalization, trade reform and the openness of the SACU economies. He indicated that SACU has simplified its tariff structure since its last Trade Policy Review in 2003 and that SACU is continuing with the process of reforming its tariff regime. With regards to concerns about the high use of trade defense instruments, he mentioned that anti-dumping initiations have considerably declined since 2006 and that SACU is no longer the highest user of trade defense instruments globally.
12. In his closing statement, the Discussant, His Excellency Ambassador Dr. Yonov Fredrick Agah congratulated SACU for a successful 3rd WTO Trade Policy Review and thanked Dr. Malan Lindeque, the Ambassadors and Permanent Representatives of the SACU countries and the rest of the SACU delegation for the comprehensive responses, which they provided to questions by WTO Members. He also commended all WTO and SACU Members and the Secretariats for the efforts made to ensure the success of this review.

13. Ambassador Agah indicated that, while the 3rd SACU Trade Policy Review has been very successful, he expects SACU Member States to reciprocate the goodwill that has been demonstrated by the rest of the WTO Members by continuing with the necessary reforms and adjustments that should build on the progress that has been made since the last review. He further stated that SACU should carefully reflect on the concerns that have been expressed by some WTO Members, so that when SACU returns for the fourth review in six years time, the successes are greater.
14. In closing the meeting of the SACU Trade Policy Review Body, His Excellency Ambassador Dr. Istvan Major indicated that the 3rd SACU Trade Policy Review has given the WTO an opportunity to appraise the evolution of SACU Trade Policies and the implementation of the 2002 SACU Agreement. This was evidenced through the constructive engagement of the high-level delegations of the SACU Member States up to and during the Review.
15. Ambassador Major indicated that WTO Members praised SACU countries for their positive performance during the review period, which was largely due to the economic reform efforts in the SACU Member States. WTO Members also commended SACU Countries on their commitment to the multilateral trading system and their strong support for the Doha Development Round of negotiations. Members further congratulated SACU on their trade liberalization efforts.
16. In conclusion, Ambassador Major congratulated SACU on the success of the 3rd Trade Policy Review and encouraged SACU Member States to continue to enhance the transparency, predictability and credibility of their trading regimes and adherence to WTO principles.
17. The final minutes and reports of the 3rd Trade Policy Review of SACU will be published approximately six weeks after the meeting. The next Trade Policy Review of SACU is expected to be held in 2015.

SACU Secretariat

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