

ANNUAL REPORT

2022





VISION

“An economic community with equitable and sustainable development, dedicated to the welfare of its people for a common future”.

MISSION

- To serve as an engine for regional integration and development, industrial and economic diversification, the expansion of intra-regional trade and investment, and global competitiveness;
- To build economic policy coherence, harmonisation, and convergence to meet the development needs of the region;
- To promote sustainable economic growth and development for employment creation and poverty reduction;
- To serve as a building block of an ever-closer community amongst the peoples of Southern Africa;
- To develop common policies and strategies for areas such as Trade Facilitation’ effective customs controls and competition; and
- To develop effective, transparent, and democratic institutions and processes.

SACU WORK PROGRAMME

- Industrialisation through the development of regional value chains, investment, and export promotion;
- Financing for industrialisation;
- Trade Facilitation and Logistics; and
- The implementation of the African Continental Free Trade Area (AfCFTA).

ADMINISTRATION

Business address: Corner Julius K. Nyerere and Feld Street
Windhoek
Namibia

Postal address: Private Bag 13285
Windhoek
Namibia

Bankers: Standard Bank Namibia Limited
External Auditors: Auditor General of the Republic of Botswana





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MESSAGE FROM THE CHAIRPERSON OF SACU COUNCIL OF MINISTERS



“I am honoured to present the SACU Annual Report for 2021/22 Financial Year (FY), which provides an overview of the key achievements, economic performance of the SACU Member States and the audited Annual Financial Statements of the Secretariat.”

Honourable Neal Rijkenberg

Minister of Finance, Kingdom of Eswatini and
Chairperson of the SACU Council of Ministers

On the economic front, the global outlook is now less optimistic than initially forecast for 2022 due to the negative spill overs from the conflict between Russia and Ukraine, the declining world output as central banks tighten rates to fight inflation, and challenges of energy supplies especially for the European countries. There was a lot of optimism at the beginning of the year with the global economic forecast initially indicating growth of 4.4 percent for 2022 and 3.8 percent for 2023. However, as the year entered the second half and with all the risks materialising, the growth forecasts have been significantly reduced to 3.2 percent and 2.7 percent for 2022 and 2023 respectively.

Most regions now face similar prospects and are mirroring the dim global output, with the Advanced Economies forecasted to slow from the initial forecast of 5.2 to 2.4 percent in 2022 and 1.1 percent in 2023. This follows the revisions of the forecasts in the US and Euro area. The growth prospects have been largely revised in the US amid unexpected contraction in the second quarter, shrinking disposable income which retards consumer demand and higher interest rates, thereby curtailing spending mainly on residential property. The US economy is now expected to record 1.6 percent in 2022 after a vibrant growth of 5.7 percent in 2021. The revised forecasts follow the phasing out of the Build Back Better fiscal policy package, earlier withdrawal of monetary accommodation, and continued supply shortages. Similarly, growth prospects have been revised down in Germany to 1.5 percent in 2022 and forecast to experience a negative growth in 2023. The Emerging Market and Developing Economies (EMDEs) are also experiencing similar economic performance, with the growth projections having been revised downwards and expected to record 3.7 percent for 2022 and 2023. The economic performance continues to be largely influenced by China's sharp decline to 3.2 and 4.4 percent for 2022 and 2023, respectively. This was the lowest growth rate in over four decades, (except for the year 2020) where the pandemic-driven supply chains and the real sector have hampered growth prospects. In Sub-Saharan Africa (SSA), growth is forecast to decline from the 4.7 percent for 2021 to 3.6 percent and 3.7 percent in 2022 and 2023, respectively. This growth will largely be influenced by the Nigerian economy which will decline slightly to 3.2 and 3.0 percent for 2022 and 2023 respectively. Growth prospects for South Africa have also been revised to 2.1 and 1.6 percent for 2022 and 2023 respectively.

The SACU region's economies having contracted in 2020 were expected to grow with an average weighted growth of 1.4 percent in 2021, decline to 0.9 percent in 2022 and further decelerate to 0.6 percent in 2023. This mirrors the performance of the global economy and reflects the regions openness which is largely driven by global trends. The lower economic growth calls for SACU to accelerate implementation of its industrial programme geared towards reviving the growth prospects and insulate it against future pandemic

shocks. This also takes into consideration the economic opportunities that are presented by the implementation of the African Continental Free Trade Area (AfCFTA). The AfCFTA is expected to help accelerate the region's economic growth and industrialisation as well as deepen economic integration among African states.

However, the prospects of the SACU economy are likely to be dimmed especially by the inflation persistence driven by the energy and food prices. This situation could be compounded by the rising debt levels experienced by the EMDEs as interest rates rise, driving up debt-servicing costs. It is, therefore, important that as a region we continue with the implementation of structural reforms through policies that boost growth while easing inflation. Similarly, households will continue to face the brunt of the soaring inflation thus diminishing their disposable income which may push more people into poverty. As the effects of COVID-19 are still being experienced in our economies it is paramount that the region continues to support businesses to stabilise to create more job opportunities for our citizens.

It is considering these challenges and looming risks that SACU continued to implement critical programmes such as the IT Connectivity which will enhance the capability of our Customs Administrations in reducing the turn-around time for the clearance of goods across our border posts. The roll-out of the SACU Regional Authorised Operator Programme (AEO) is also a game changer for our region. Some key benefits of the AEO are; the speedy processing of goods for qualifying traders, reduced number of physical inspections for export operations by other border agencies, as well as priority treatment and reduction in fees and charges by other government agencies in processing licenses, certificates, permits, and other authorisations.

I wish to urge our private sector to take advantage of these benefits by applying for admission to this Programme. These programmes implemented by the region will enhance the competitiveness of the region's private sector and reduce the cost of doing business.

Turning to the operations, I am pleased to note that in the reporting period, good progress has been made to implement all the planned activities as detailed in the Report. Furthermore, an unqualified audit opinion was expressed on the Secretariat's Annual Financial Statements. This has been a trend for the past few years and the adherence by the Secretariat to good governance is highly commendable since it ensures there is value for money from the expenditure and programmes implemented. I wish to urge the Secretariat, to uphold this high standard in the management of the resources at its disposal.

Lastly, I wish to sincerely thank Ms. Paulina M. Elago, the Executive Secretary, for her invaluable contribution, dedication and support to the SACU Institutions and the Secretariat staff. The role of the Secretariat is critical in ensuring the successful implementation of the region's programmes and projects.



Honourable Neal Rijkenberg
Minister of Finance, Kingdom of Eswatini and Chairperson of
the SACU Council of Ministers



EXECUTIVE SECRETARY'S STATEMENT



“This Report presents the progress and key highlights related to the implementation of the SACU Work Programme, as well as the Financial Statements of the Secretariat for the 2021/22 Financial Year.”

Ms. Paulina Mbala Elago
Executive Secretary of SACU

The period under review was one of the most challenging years for the SACU Secretariat due to continued scourge of COVID-19. This period saw the second and third waves sweeping across the globe resulting in some Staff members being infected with the virus and some being admitted in hospitals. Thankfully, we have not had any fatalities at the Secretariat. As a mitigating measure to contain the spread of the virus amongst the Staff members, the Secretariat continued to conduct its operations including convening institutional and internal Meetings through virtual platforms. In this regard, Staff members worked on a weekly rotational shift system with half of them working at the office whilst others worked from their places of residence.

Despite the effects of COVID-19 and the tribulations of operating virtually, the Secretariat recorded considerable progress in executing its mandate. I am pleased to highlight the following key activities and milestones during the year under review.

The Institutions of SACU, namely, the SACU Council of Ministers as well as the Commission and its Committees convened all statutory Meetings virtually and continued to provide oversight on SACU operations. The Council convened three (3) Meetings, the Commission held five (5) and the Finance and Audit Committee (FAC) met four (4) times. The increase in the frequency of the Meetings of the Commission were necessitated by the need to consider the SACU Strategic Plan and the review of the Secretariat's Organisational Structure, which commenced during this period and was awaiting

approval by the Council of Ministers during their Meeting scheduled for the 2nd June 2022. The development of the Strategic Plan is indeed an important milestone for the Organisation given that SACU had been operating without a Strategic Plan for some time. Therefore, the Plan will provide greater clarity and a clearer direction for the Organisation going forward.

The SACU Summit of the Heads of State or Government did not convene, as substantive work on the implementation of the refocused Work Programme was still underway. This Programme prioritises industrialisation through the development of Regional Value Chains; Investment and Export Promotion; Industrial Financing; Trade Facilitation and Logistics; and implementation of the AfCFTA.

At the Programme level, the Secretariat continued with the implementation of the refocused Work Programme. To this end, the Secretariat effectively supported and coordinated the work of the two Technical Committees of Senior Officials, which have been constituted and mandated to drive the work related to Industrialisation and Trade Facilitation. As part of this programme, the Secretariat successfully convened a series of Sectoral Roundtables in the following priority sectors and sub-sectors: Agro processing (Meat and Meat products; Fruits and Vegetables, Leather and Leather Products); Textiles and Clothing and Cosmetics; Essential Oils; and a Workshop on the pharmaceutical industry. These roundtables were a pre-cursor to the first ever regional Ministerial Investment Roundtable planned for April



2022, which was a resounding success. The details of which will be covered in the Annual Report for the next Financial Year.

Equally, substantial progress was made around Trade Facilitation and Logistics. The Trade Facilitation and Logistics Programme was approved in April 2021 whilst the development of the Operational Plan is at an advanced phase. Through its Trade Facilitation and Logistics Programme, SACU seeks to create a seamless trade environment for cross-border movements. This is being done through the application of innovative and emerging technologies to streamline processes, and enhance collaboration, whilst also detecting and deterring illicit trade in goods within the Common Customs Area. The Programme further aims to address obstacles and hindrances facing businesses that engage in cross-border trade. SACU's goal is to develop solutions that are practical, and transformational towards enhanced efficiency and that reduces trade related transaction costs and improve compliance and security of the supply chain amongst others.

Work on the SACU Customs Modernisation Programme continued to record substantial progress. The Programme includes the implementation of the Authorised Economic Operator (AEO) Compliance Programme; development of the Regional AEO Programme to include Safety and Security; implementation of IT Connectivity and the Regional Customs Risk Management and Compliance Strategies; and the migration from the Harmonized Commodity Description and Coding System (HS) 2017 to HS 2022. A Monitoring and Evaluation Framework has been completed to assess and measure the impact of SACU's Customs Modernisation Programme in the Common Customs Area for the 2022/23 FY. Fifty (50) Customs Officials were also trained on the use of the Monitoring and Evaluation Tool.

A word of thanks goes to our development partner, TradeMark East Africa, which is collaborating with the Secretariat to strengthen the technical capacity required to develop the Operational Plan for Trade Facilitation and Logistics. I also wish to thank the United Kingdom (UK) Government for their support to this Programme.

As per the established tradition, the Secretariat facilitated the annual determination and allocation of revenue share for each Member State, a process that has improved remarkably as a result in the improvement in the quality of data used in the application of the Revenue Sharing Formula (RSF).

On the Trade front, the implementation of the AfCFTA took centre stage as one of the key priority areas in the SACU Trade Agenda. In this regard, the Secretariat continued to coordinate the formulation of common positions and the active participation of the SACU Member States, to conclude outstanding issues under

the AfCFTA phase I negotiations. In particular, the Secretariat facilitated nine (9) internal Meetings at Experts and Senior Trade Officials' levels towards the finalisation of the SACU Tariff Offer, to actualise the start of trading under the AfCFTA. This effort improved the SACU Tariff Offer to the AfCFTA to 7083 tariff lines accounting for 89.6 percent of the SACU Tariff Book, translating to 0,4 percent to the target threshold of 90 percent. In addition, the Secretariat played an important role in coordinating the engagements amongst SACU Member States regarding their position on the AfCFTA Rules of Origin.

The Secretariat also supported the Member States in convening Meetings of the SACU Senior Trade Officials and Trade Ministers, to consider and guide trade negotiations on the review of the SACU-EFTA, SACU-UK EPA, as well as the SACU-MERCOSUR PTA, amongst others.

The Secretariat undertook various initiatives aimed at improving the efficiency of its operational environment. As part of its overall strategy objective of a paper-lite Customs Union, we focused on digital transformation of the operational environment through the automation of the Secretariat's business processes. This automation did not only achieve greater operational efficiencies but also significantly supported the Secretariat staff members to operate remotely during the rotational shift system. Furthermore, the installation of the Video Conferencing equipment in the Member States has been completed. This will allow us to enhance our communications and virtual engagements with the Members of the Institutions of SACU in the Member States. These efforts have enabled us to work remotely without delaying or impacting any of our work, especially during the height of COVID-19. In addition, the Secretariat continued to improve on Risk Management and mainstreaming these in all our operations and reporting on quarterly basis to the FAC.

Raising awareness, publicity and promoting the SACU brand in the Member States was one of the key priorities for the Secretariat. To this end, the Secretariat initiated a 13-weeks media partnership with Ultimate Radio of Lesotho to primarily raise awareness and understanding of SACU, its Institutions and operations and thereby enhance visibility of the SACU brand and create dialogue on the SACU Agenda in the Kingdom of Lesotho. This served as a valuable platform that enabled us to disseminate information to our stakeholders and the public by way of enhancing their understanding of the role and mandate of SACU, and its Work Programmes in the Member States. Similarly, the Secretariat produced two (2) new books, namely, *the SACU Insight: A 15 Year Journey from 2009 to 2014*; and *the SACU Member States Roadshow and Publicity Booklet*.

On international cooperation, the Secretariat continues to engage and forge partnerships with key stakeholders

in support of the SACU Work Programme. In addition to TradeMark East Africa and the Government of the UK, who supported our flagship Trade Facilitation Programme as alluded to earlier, the Secretariat collaborated with other stakeholders aimed at strengthening our cooperation and relations. These includes the AfCFTA Secretariat; Common Market for Eastern and Southern Africa, East African Community; World Customs Organisation (WCO); United Nations Economic Commission for Africa (UNECA); Trade Law Centre (Tralac); World Bank Group; and the United Nations Conference on Trade and Development amongst others. I am pleased that work has commenced towards the formalisation of some of these engagements through the development of Concept Notes on Cooperation and Memoranda of Understanding with the following Institutions or Agencies: United Nations Development Programme (UNDP); Southern African Development Community (SADC); and International Trade Centre (ITC).

I am further pleased to note that the Secretariat continued to receive unqualified financial audits, which demonstrated the Secretariat's prudent and sound Financial Management. In this regard, I would like to express gratitude to the Auditor-General of the Kingdom of Botswana for successfully conducting the audit of the Secretariat for the 2021/22 FY.

As part of its Corporate Social Investment (CSI), the Secretariat continued to implement initiatives to support various community projects in the Member States in efforts to uplift their social welfare. CSI initiatives further create a positive SACU brand recognition and enhancement in the Member States. For the year under review, the Secretariat sponsored three projects, namely: (i) the Eswatini Government Halfway Home in Eswatini; (ii) Windhoek Central Hospital's Pediatric Oncology Ward in Namibia; and (iii) Megameno Children's Home, also in Namibia. The sponsorships constituted educational materials and medical equipment.

The above highlighted milestones and achievements were made possible through the outstanding performance, commitment and high level of professionalism of the staff of the Secretariat. I would therefore like to take a moment to thank all the staff members for their continued devotion to service, dedication and hard work in making sure that we continue to deliver on our mandate to serve SACU to the best of our abilities.

This being my last and final Report as the Executive Secretary of SACU, I wish to take this opportunity to express my sincere gratitude and heart-felt thanks to the members of the SACU Summit, the Council and Commission for their leadership, unwavering support and guidance provided to the Secretariat in executing its mandate during my entire tenure at the helm of the Organisation from the 1st April 2014 and which comes to

an end on the 17th October 2022. Allow me also to express my thanks for the tremendous support, hard work and commitment that I have enjoyed from my entire Team at the Secretariat, without which, the milestones alluded to earlier could not have been accomplished. I feel truly privileged to have been leading a team that is dedicated, hardworking and committed to its course. I also wish to thank our development partners for the excellent relations, cooperation and support to our Programmes. As I step aside to allow others to carry the SACU Agenda forward, it is my sincere hope that you will continue to accord the same cooperation and support to my successor for the future growth of SACU.

It has been a real privilege and I believe I have given it my All and could not have done it without the support and cooperation of my team "TEAM SACU" and Member States and Institutions of SACU to whom I am forever grateful.



Ms. Paulina Mbala Elago
Executive Secretary of SACU





CORPORATE GOVERNANCE STATEMENT

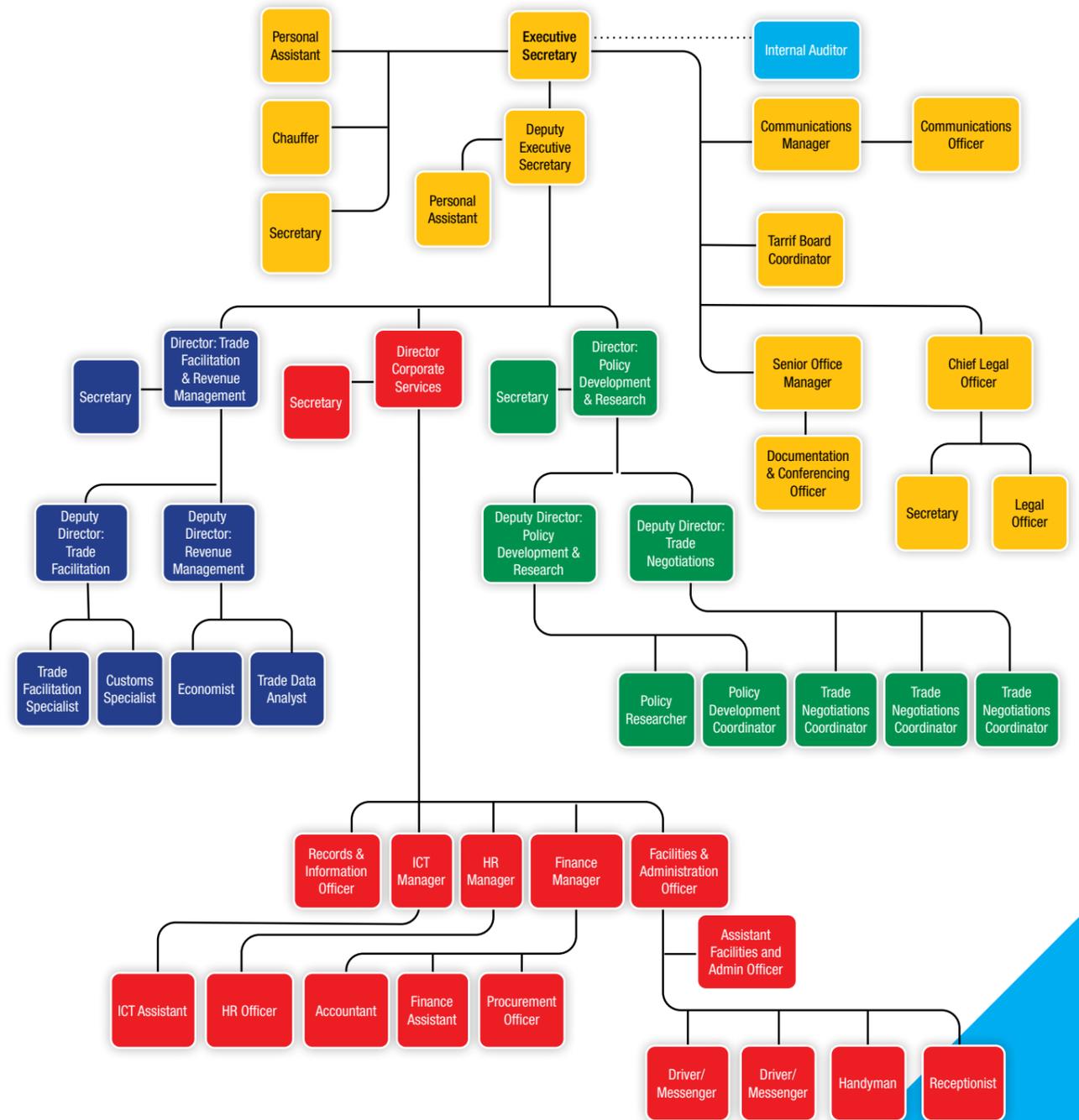
The Executive Management and the Finance and Audit Committee (FAC) set standards and manage the implementation of systems of internal control, accounting, and information systems.

This aims to provide reasonable assurance that assets are safeguarded, and the risk of error, fraud or loss is reduced in a cost-effective manner. These controls, as well as the proper delegation of responsibilities and authorities are contained in established Policies and Procedures and within a clearly defined delegation of Authority framework, to ensure effective accounting procedures and adequate segregation of duties.

The internal audit function operates unimpeded and independently from operational management and has unrestricted access to the FAC. The Internal Auditor appraises, evaluates and, when necessary, recommends improvements in the systems of internal control and accounting practices, based on audit plans that take cognisance of the relative degrees of risk of each function or aspect of the business.

The FAC, together with the external and internal auditors, play an integral role in matters relating to financial and internal control, accounting policies, reporting and disclosure.

ORGANISATIONAL STRUCTURE



EXECUTIVE COMMITTEE



Standing (left - right): Ms. Alma Andrade - Director: Corporate Services and Mr. Benjamin Katjipuka - Director: Policy Development and Research

Seated (left - right): Mr. Abed Iyambo - Senior Office Manager, Ms. Paulina M. Elago - Executive Secretary and Mr. Donald Ndwandwe - Acting Director: Trade Facilitation and Revenue Management

Left: Ms. Ndibo Oitsile - Chief Legal Officer



EXECUTIVE SECRETARY OFFICE



Back Row (left - right): Mr. Thuto Mathetsa - Tariff Board Coordinator, Ms. Elsie Mamaregane - PA: Deputy Executive Secretary, Ms. Blessed Davids - Internal Auditor, Ms. Fransina Mutumbulwa - Documentation and Conferencing Officer, Ms. Rosalia Augustinus - Secretary: Chief Legal Officer and Ms. Kungo Mabogo - Communications Manager

Front row seated (left - right): Mr. Abed Iyambo - Senior Office Manager, Ms. Rauna Mumbuu - Communications Officer, Ms. Paulina M. Elago - Executive Secretary, Ms. Rumbidzaishe Chinyoka - Legal Officer, Ms. Anitha Ganases - PA: Executive Secretary and Mr. Abed Shipingana - Chauffeur

Right: Ms. Ndibo Oitsile - Chief Legal Officer



DIRECTORATE CORPORATE SERVICES



Back Row (left - right): Mr. Victor Felas - Information Communication and Technology Assistant, Mr. Themba Tladi - Human Resource Manager, Mr. Gaelekane Mohale - Accountant, Mr. David Nalupe - Driver, Mr. James Shipena - Facilities and Administration Officer, Mr. Elson Kamburona - Driver, Mr. Hermanus Esterhuizen - Procurement Officer and Mr. Kenia Mapumba - Facilities and Administration Assistant

Front Row seated (left - right): Mr. Bonginkosi Ginindza - Records and Information Officer, Ms. Tselane Mkhethi - Human Resource Officer, Ms. Alma Andrade - Director: Corporate Services, Ms. Rassidy Diergaardt - Secretary: Director Corporate Services, Ms. Maria Hewicke - Finance Assistant and Mr. Mohammed Hoosain - Finance Manager



Left - right: Ms. Ingrid Nanus - Receptionist, Mr. Refiloe Motjolopane - IT Manager and Mr. Gideon Pineas - Handyman

DIRECTORATE TRADE FACILITATION AND REVENUE MANAGEMENT



Seated back row (left - right): Mr. Katiso Ramalebo - Trade Data Analyst and Mr. Bevuya Mdlankomo - Trade Facilitation Specialist

Seated front row (left - right): Ms. Ngoanamokgotho Tladi - Deputy Director: Trade Facilitation and Ms. Dorian Amateta - Secretary: Director Trade Facilitation and Revenue Management



Left - right Mr. Tiroyaone Sirang - Economist and Mr. Donald Ndwandwe - Acting Director: Trade Facilitation and Revenue Management

DIRECTORATE POLICY DEVELOPMENT AND RESEARCH



Standing (left - right): Ms. Mpho Masupha - Policy Development Coordinator, Dr. Pelotshweu Moepeng - Deputy Director: Policy Development and Research and Ms. Anneline Mathis - Secretary: Director for Policy Development and Research.

Seated (left - right): Ms. Khutsafalo Sekolokwane - Policy Researcher, Mr. Ben Katjipuka - Director: Policy Development and Research, Ms. Albertina Hitiwa - Trade Negotiations Coordinator, Ms. Kelebogile Lekaukau - Trade Negotiations Coordinator and Ms. Rejoice Karita - Trade Negotiations Coordinator

Left: Ms. Lerato Ntlopo - Deputy Director: Trade Negotiations

SACU MEMBER STATES



Botswana



Kingdom of Eswatini



Lesotho



Namibia



South Africa

CHAPTER 1

INSTITUTIONAL ARRANGEMENTS

INTRODUCTION

The SACU Agreement, 2002, as amended in April 2013 (the SACU Agreement), provides for the establishment of various Institutions to execute the objectives of SACU. These are the: Summit of SACU Heads of State or Government; Council of Ministers; Customs Union Commission; Secretariat; Tariff Board; Technical Liaison Committees; and ad hoc Tribunal.

CHAIR OF SACU INSTITUTIONS

The SACU Agreement and the Rules of Procedure for the SACU Institutions, provide that the Chair of the SACU Institutions, shall be held for a term of twelve (12) months by each Member State rotating in alphabetical order amongst the Member States. Consequently, for the reporting period, the Republic of Botswana held the Chair from the 15th July 2021, following the Republic of South Africa's tenure, which ended on the 14th July 2021.

KEY HIGHLIGHTS FOR THE YEAR

The SACU Council and the Commission convened Meetings to discharge their functions as set out below. Meetings of the interim structures established by the SACU Council to support the refocused Work Programme were also convened, during the reporting period.

SACU COUNCIL OF MINISTERS

The Council of Ministers comprises of the Ministers responsible for Finance, and Trade and Industry from each of Member State. In accordance with Article 8 of the SACU Agreement, the Council is responsible for decision-making on the overall policy direction and functioning of the SACU Institutions, including the formulation of policy mandates, procedures, and guidelines for the SACU Institutions. During the reporting period the Council of Ministers convened its Meetings virtually, due to the continued concerns over the spread of the COVID-19 infections. The Council convened as follows:

- 43rd Meeting, on the 15th April 2021;
- 44th Meeting, on the 25th June 2021; and
- 45th Meeting, on the 9th December 2021.

At these Meetings, the Council considered Recommendations from the SACU Commission on the implementation of the Work Programme, the broader SACU Agenda and took appropriate decisions.

CUSTOMS UNION COMMISSION

The SACU Commission comprises Senior Officials at the level of Permanent Secretaries, Directors-General, Principal Secretaries, or other officials of equivalent rank, from the Ministries responsible for Finance, and Trade and Industry. In accordance with Article 9, the Commission is mandated to ensure the implementation of the SACU Agreement and the decisions of the Council. During the reporting period the Commission convened virtually as the follows:

- 62nd Meeting, on 13-14 April 2021;
- 63rd Meeting, on 21st June 2021;
- 64th Meeting, on 7th December 2021;
- 65th Meeting, on 10th February 2022; and
- 66th Meeting, on 10th March 2022.

During the reporting period, the Commission considered various issues covering, finance, the implementation of the Work Programme, trade, as well as institutional matters, as reflected in the following Chapters of this Report.

In pursuance of the Council mandate to develop a SACU Strategic Plan and Organisational Structure Review, the Commission convened a Retreat, as well as the 65th and 66th Meetings to specifically consider the development of the Strategic Plan.

The Commission's Recommendations on the various issues considered in its Meetings were presented to the respective Meetings of the Council for consideration and decision.



THE SECRETARIAT

The Secretariat continued to discharge its mandate as provided in Article 10 of the SACU Agreement of being responsible for the day-to-day administration of SACU. The Secretariat successfully facilitated and provided technical support to all the planned Meetings of the Council, Commission, the Finance and Audit Committee, as well as various Technical Experts, which were convened virtually. The Secretariat also facilitated Meetings of the SACU Member States on the negotiation and implementation of Trade Agreements with third parties and provided technical analyses as required.

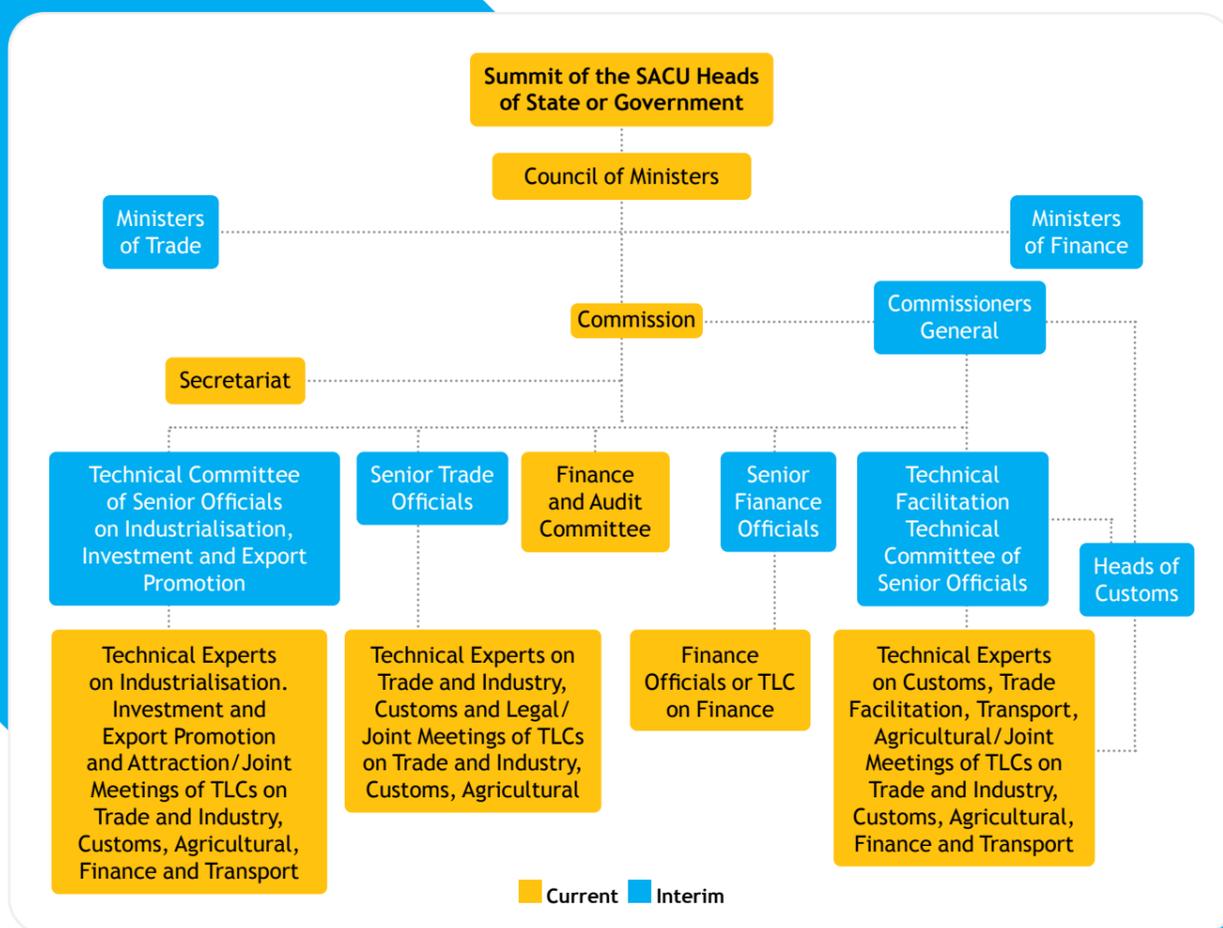
The decisions of the Council and Commission were monitored by the Secretariat and effectively implemented, as reported in the following Chapters of this Publication.

INTERIM STRUCTURE TO SUPPORT THE REFOCUSED SACU WORK PROGRAMME

At the 43rd Meeting of the Council, the Council in accordance with Article 8(2) and 8(8) of the SACU Agreement, approved an interim institutional arrangement to support the refocused SACU Work Programme. This arrangement will be in place for an interim period of twenty-four (24) months with effect from the 15th July 2021 up to 14th July 2023, whereafter it will be reviewed.

The Interim Structure comprises of the following, additional Institutions: (i) Ministers of Finance; (ii) Ministers of Trade and Industry; (iii) Senior Trade Officials; (iv) Senior Finance Officials; and (v) Commissioners-Generals' Forum. The Ministers of Finance and Trade and Industry report to the Council of Ministers, while the Senior Officials report to the SACU Commission. The Interim Structure is illustrated in **Diagram 1** below:

Diagram 1: Interim Structure for the Implementation of the Refocused Work Programme



In addition, the Council agreed to streamline the Work Programme including the frequency of the Meetings of the Institutions of SACU. Reducing the quarterly Meetings of the Council and Commission to two (2) Meetings per annum with the provision to convene ad hoc Meetings as the need arises. These Meetings are now held in June and December. The Council also approved the following schedule of Meetings for the interim structure:

- the Meetings of the Ministers of Finance will be convened as and when the need arises;
- the Meeting of the Ministers of Trade and Industry will be convened as and when the need arises;
- the Meetings of the Senior Finance Officials will be convened as and when the need arises;
- the Meetings of the Senior Trade Officials will be convened at least twice in a financial year; ad hoc Meetings will be convened as the need arises;
- the Heads of Customs meet as and when the need arises and report to the Commission; and
- the Meetings of the Technical Liaison Committees or Technical Experts, which will be informed by the work of the Commission and Senior Trade and Finance officials and convened at least once in a quarter of a Financial Year.

Following the approval by the Council to streamline the SACU Work Programme and put in place an interim institutional arrangement to support the refocused SACU Work Programme the following Institutions have convened Meetings during the reporting period: (i) the Ministers of Trade and Industry; (ii) Technical Committees of Senior

Officials on Industrialisation, Investment and Export Promotion; (iii) Trade Facilitation and Logistics; and (iv) the Heads of Customs. The recommendations from these Meetings were presented to the respective Meetings of the Commission and the Council for consideration and decision.

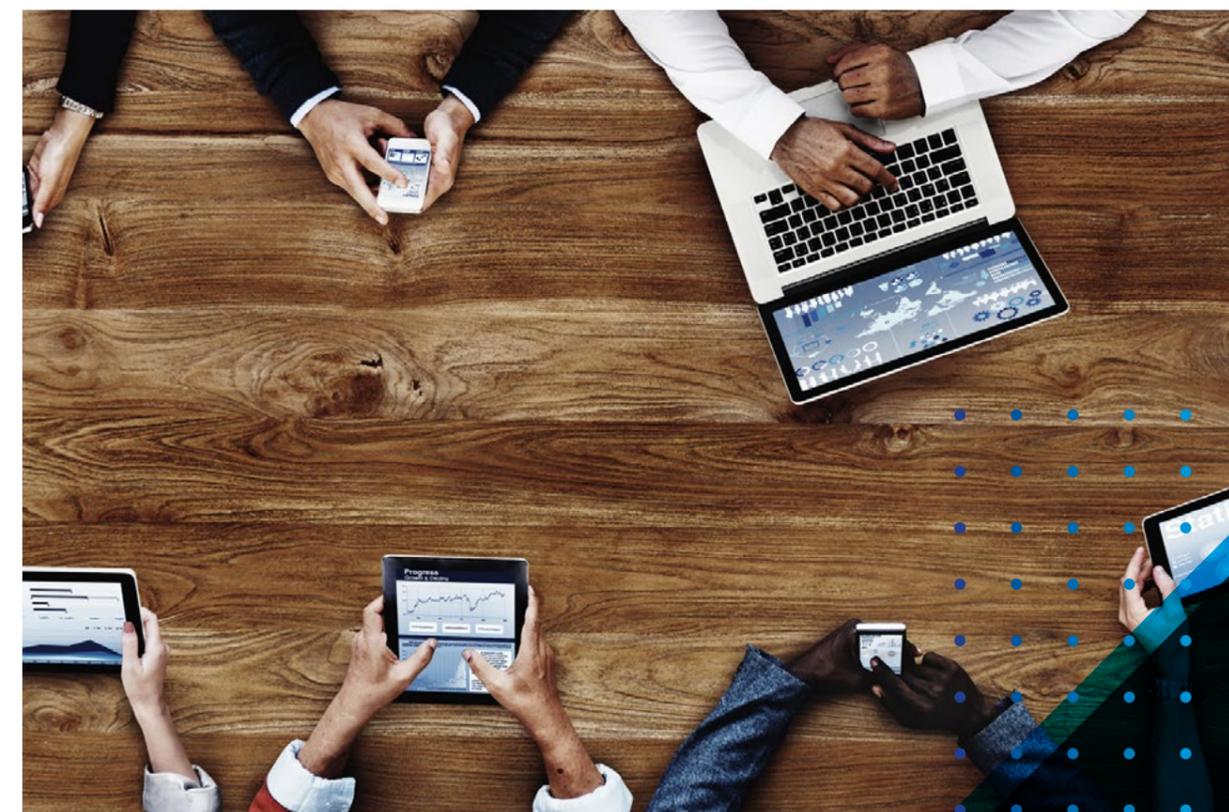
CHALLENGES FACED

The SACU Summit of the Heads of State or Government did not convene as substantive work on the implementation of the refocused Work Programme was still being undertaken. The development of the Strategic Plan and Organisational Structure Review commenced during the reporting period, however by the end of the period the Strategic Plan had not been completed.

OUTLOOK FOR 2022/23 FY

For the 2022/23 FY, the following activities are anticipated:

- completion approval and implementation of the SACU Strategic Plan for the five (5) year period (2022-2027); approval of a Results Framework; and
- development and approval of the revised Secretariat's Organisational Structure which will be informed by Strategic Plan.



CHAPTER 2

TRADE FACILITATION AND REVENUE MANAGEMENT

INTRODUCTION

This Chapter highlights progress made, and challenges encountered in Trade Facilitation and Revenue Management during the period under review. Of importance to note is that work focused on the simplification of the cross-border movement of goods and ensuring equitable allocation of revenue shares amongst the SACU Member States.

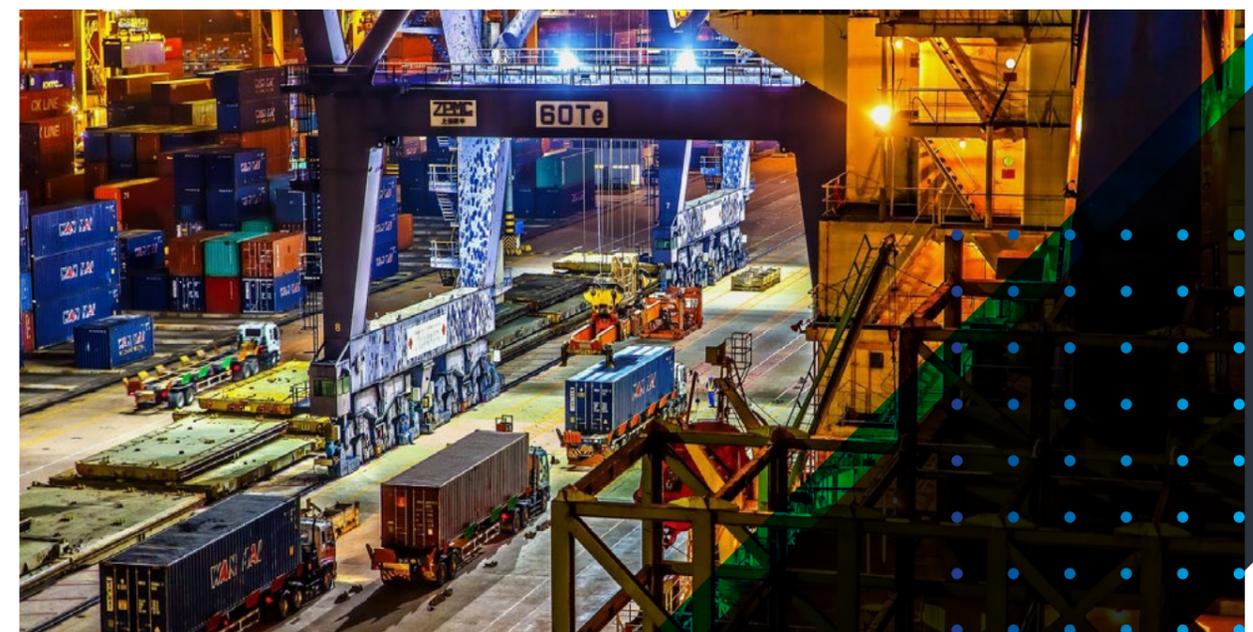
KEY HIGHLIGHTS FOR THE YEAR UNDER REVIEW

The following were the key highlights and achievements of the Trade Facilitation and Revenue Management Programme in the 2021/22 FY:

- a. **Implementation of the Customs Modernisation Programme (CMP):**
 - i. completion of the draft SACU Regional Authorised Economic Operator Programme with safety and security - to be presented for approval of Council in June 2022;
 - ii. accreditation of fifteen (15) additional Authorised Economic Operators (AEOs) from South Africa, which bring the total Accredited Traders for the AEO Compliance Programme in the region to 162;
 - iii. migration of the SACU CET from the World Customs Organization's (WCO) Harmonized Commodity Description and Coding System "HS" 2017 version to the updated version HS 2022;
 - iv. continuation of the automated exchange of Customs information for Botswana, Eswatini, Namibia and South Africa to enhance IT Connectivity;
 - v. continuation of enhancement and improvement of the Customs IT Management Systems to sustain automated exchange of export and transit declarations;
 - vi. continuation of the training of Traders/Exporters/Importers on the use of the SACU Unique

Consignment Reference (UCR) to facilitate matching of automatic exchange of Customs information, and to promote data integrity and accuracy in terms of data matching of local import with the SACU export declarations in the Common Customs Area;

- vii. completion of the Risk Register to identify high risk commodities that were in circulation in SACU in 2021/22 FY;
 - viii. basic training of a total of thirty-nine (39) Customs Officials on Data Analytics in Botswana, Eswatini, Lesotho and Namibia;
 - ix. completion of the Monitoring and Evaluation Framework to be used in 2022/23 FY to assess and measure success and impact of SACU Customs Modernisation Programme (CMP) in the Common Customs Area; and
 - x. training of fifty (50) Customs Officials on the use of the Monitoring and Evaluation Tool.
- b. **Development of the SACU Trade Facilitation and Logistics Programme and approval of the Programme by the 43rd Council of Ministers on the 15th April 2021.**
 - c. **Facilitation of the process to determine the revenue shares for the Member States.**

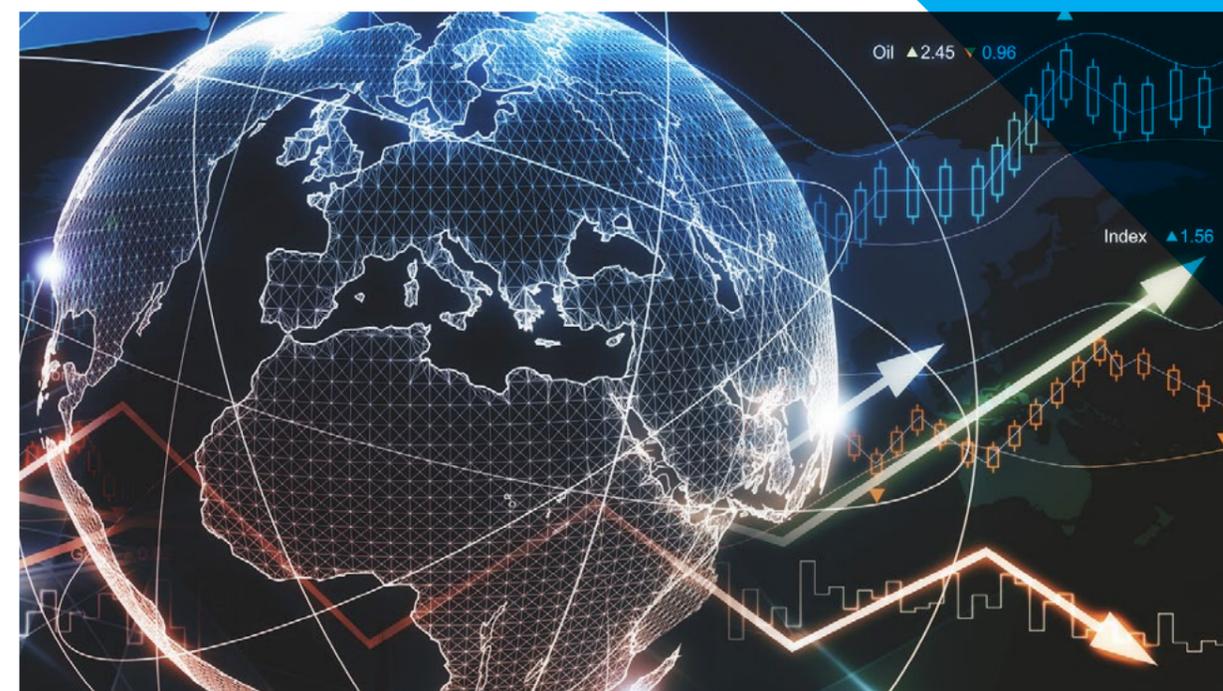


Below is the summary of the highlights listed above:

a. Implementation of the Customs Modernisation Programme:

i. Authorised Economic Operator (AEO) Programme: the focus was on completion of the draft SACU Regional AEO Programme, which contains both the Customs Compliance as well as a Safety and Security module. The SACU Regional AEO Programme seeks to promote Customs-to-Business, and Government-to-Business Partnership, Compliance, Safety and Security of the Supply Chain, as well as Mutual Trust to ease cross border movement of goods. This will be done through the adoption of a Single Government AEO Programme that include accreditation and mutual recognition of traders by Customs and Government Agencies mandated to facilitate trade. In addition, all Member States continued to implement their National AEO Compliance Programmes. The accreditation of fifteen (15) additional AEOs from South Africa, brought the total Accredited Traders for the AEO Compliance Programme in the region to one hundred and sixty-two (162). Botswana maintained three (3) accredited AEOs, Eswatini two (2) accredited AEOs, Lesotho ten (10) accredited AEOs, and Namibia maintained one (1) accredited AEO.

ii. IT Connectivity: the focus was on the implementation of automated exchange of Customs information for Botswana, Eswatini, Namibia and South Africa. Lesotho experienced technical challenges which were resolved towards the end of the 2021/22 FY. In terms of the implementation of the Unique Consignment Reference (UCR) that is used to standardise data sets exchange on export transactions, Member States are undertaking national awareness campaigns and collaboration amongst each other to educate Traders on the correct use of the UCR. This will promote data integrity and accuracy on the data that is exchanged automatically within the region. In terms of the data matching, all Member States have continued to submit data matching statistics for the 2021/2022 FY to the Secretariat for consolidation. Member States have agreed to improve the data matching levels between South Africa and Botswana, Eswatini, Lesotho and Namibia (BELN) Member States from 50% at regional level (Botswana - 17%; Eswatini - 74%; Lesotho - 59%; and Namibia - 50%) to reach 90% or above. The region has also managed to achieve success on a long-standing matter of using different codes denoting the same units for goods for the Customs declaration. As such, moving forward the region will now use a harmonised UN/ECE



Recommendation 20: Codes for Units of Measure Used in International Trade, which will ensure uniform application of unit of measures codes used for merchandise trade.

- iii. Risk Management, Compliance and Enforcement:** the Member States continued to implement the SACU Customs Risk Management Strategy and a risk register that identify elevated risk commodities that were in circulation in SACU in 2021/22 FY. In addition, training of a total of thirty-nine (39) Customs Officials was completed on Data Analytics in Botswana, Eswatini, Lesotho and Namibia.
- iv. Customs Legal Framework:** the focus was on finalising an enabling legal framework to facilitate mutual recognition in SACU. In this regard, all Member States agreed that Annex E (Mutual Administrative Assistance), is sufficient in its current form as an enabling legislation for Accreditation Programmes implemented for intra-SACU.
- v. HS, Tariff Classification, Valuation, and Rules of Origin:** focus was on the migration of the SACU CET from the WCO HS 2017 to HS 2022. The HS is a tool adopted by the WCO for the classification of goods in international trade and SACU is obliged to incorporate it in its CET since all SACU Member States are Contracting Parties to the WCO Harmonised System Convention. In this regard, the region was able to successfully migrate its CET from HS 2017 to HS 2022 as of the 1st January 2022, simultaneously and in a well-coordinated manner.
- vi. Capacity Building and Gender Mainstreaming:** focus was on the implementation of capacity building activities that are non-financial in

nature due to lack of funding for the activities that required external funding.

- vii. Monitoring and Evaluation:** focus was on the completion of the Monitoring and Evaluation Framework to be used in the 2022/23 FY to assess and measure success and impact of SACU Customs Modernisation Programme in the Common Customs Area. In this regard, the Monitoring and Evaluation Framework were developed, and fifty (50) Customs Officials were trained on the use of the Monitoring and Evaluation Tool. The implementation of the Monitoring and Evaluation Framework also commenced, and efforts will be intensified in the 2022/23 FY to capacitate Monitoring and Evaluation Experts, Champions, National Coordinators, and respective Experts to inculcate the culture of planning and reporting against the set targets.

b. Development of the SACU Trade Facilitation and Logistics Programme

During the period under review, the expanded SACU Trade Facilitation and Logistics Programme was developed and expected to be approved by the Council of Ministers in April 2022. The CMP forms the core of the expanded Programme which sets out a broad framework and parameters for collaboration on Trade Facilitation and Logistics in SACU as follows:

- i. Customs Cooperation:** simplification and harmonisation of trade procedures and cooperation between the Customs Administrations;
- ii. Border Coordination:** strengthening collaboration and cooperation between border agencies, and between border agencies and the private sector;
- iii. Behind the Border Measures:** addressing all

administrative issues associated with behind the border measures. This includes the sharing of administrative information about formalities, documentary requirements, procedures, fees, and charges related to Agriculture, Standards and Technical Barriers to Trade (TBT), Sanitary and Phytosanitary (SPS). In addition, the simplification and harmonisation of SPS measures, streamlining the issuance of licenses, administrative and documentary requirements;

- iv. **Transport and Logistics:** cooperation in the harmonisation and standardisation of cross-border transport regulatory framework and logistical processes, with a view to facilitate trade seamlessly and reduce the cost of moving goods across the borders;
- v. **Support to negotiations and the implementation of Trade Agreements:** administration of Rules of Origin, Tariff Rate Quotas, as well as Customs and Trade Facilitation provisions covered within the trade Agreements; and
- vi. **Cross-cutting policy imperatives:** collaboration among regional Trade Facilitation structures in the Member States and relevant regional stakeholders.

c. Facilitation of the Process for the Determination of the Member States' Revenue Shares

In 2021/22 FY, the Common Revenue Pool (CRP) was estimated at R89.95 billion, reflecting a decrease of 21.4 percent from R114.41 billion estimated in 2020/21 FY. This projected decrease in the revenues was mainly attributed to the ripple effect of COVID-19, which undermined the gains made on specific duties in 2020/21 FY. Global trade and economic activity were at their lowest as countries imposed restrictions in the movement of goods and services to contain further spread of the virus – thereby negatively affecting global supply chains. While the economic damage was already evident, the additional restrictions in trade exacerbated the overall impact, thus translating in revenue decline across all Member States. Table 1 is an illustrative presentation of shares allocated to Member States between the 2020/21 and 2021/22 FY. The revenue shares included the adjustments for the 2020/21 FY CRP outturn.

Table 1: Member States' Revenue Shares (Billion Rand) for 2020/21 and 2021/22 FY's)

Financial Year	Botswana		Eswatini		Lesotho		Namibia		South Africa	
Member States	2020/2021	2021/2022	2020/2021	2021/2022	2020/2021	2021/2022	2020/2021	2021/2022	2020/2021	2021/2022
Revenue Shares	21.97	19.57	7.87	6.52	8.52	6.15	20.67	15.61	55.31	42.04
Adjustments	1.77	-0.81	0.48	-0.14	0.46	-0.15	1.58	-0.86	2.34	2.63
Total Payment	23.74	18.76	8.35	6.38	8.98	6.01	22.25	14.75	57.65	44.66
% Change		-21.0%		-23.6%		-33.1%		-33.7%		-22.5%



CHALLENGES ENCOUNTERED DURING THE YEAR UNDER REVIEW

During the year under review, the major challenge for implementation of the 2021/22 FY Annual Work Plan for the CMP was lack of funding. The key activities that were affected by the lack of funds were mainly capacity building and technical assistance activities at national level. These included:

- i. technical and financial support towards systems enhancements for maintenance of automated exchange of data as part of IT Connectivity;
- ii. technical and financial support to enhance systems and develop virtual platforms, including online survey tools to sustain implementation of the National AEO Compliance Programme; and
- iii. at regional level, the activity that was not implemented is automation of the Monitoring and Evaluation Framework and Tool to enhance the ease of use and application by Customs Officials and Heads of Customs.

OUTLOOK FOR THE 2022/23 FY

Trade Facilitation and Revenue Management will focus on the activities below:

- i. implementation of the 2022/23 FY Annual Work Plan for the SACU Customs Modernisation Programme;
- ii. completion and facilitation of the approval of the Operational Plan to facilitate the implementation of the SACU Trade Facilitation and Logistics Programme;
- iii. coordination and technical support to the process of trade data reconciliation and determination of the Member States' revenue shares for the 2023/24 FY; and
- iv. development of a SACU Resource Mobilisation Framework.



/ INTRODUCTION

This Chapter provides an overview of the activities and achievements in Policy Development, Research and Trade Negotiations and support to the implementation of the SACU Work Programme. These included facilitation and coordination of the regional initiative towards industrialisation and development of regional value chains, export, and investment promotion, as well as the integration of the SACU Member States into the global economy through trade negotiations for preferential markets. Furthermore, work in this area included undertaking research to inform policy development and trade negotiations.

/ KEY HIGHLIGHTS FOR THE YEAR UNDER REVIEW

The following were the key highlights and achievements of the Policy Development, Research and Trade Negotiations Programme during the 2021/22 FY:

- a. advancement of the Work Programme on industrialisation, export and investment promotion which entailed (i) comprehensive value chain mapping exercise and analysis on the priority sectors identified by the region for the development of regional value chains (namely, Agro-processing, Textiles and Clothing as well as Pharmaceuticals, Cosmetics and Essential Oils); (ii) convening of respective Sectoral Roundtables for these value chains; (iii) convening of a Workshop on Pharmaceuticals ; and (iv) facilitating preparations for the regional Investment Roundtable; Implementation of the AfCFTA - SACU draft offer to the AfCFTA accounting for 7083 tariff lines representing 89.6 percent of the SACU Tariff book;
- b. Implementation of the SACU-MERCOSUR - the 2nd Meeting of the SACU-MERCOSUR Joint Administration Committee;
- c. the 1st Meeting of the Trade and Development Committee under the SACUM-UK EPA;
- d. the launch of the review for the EU-SADC EPA;
- e. convening of the Joint SACU-EFTA STOs Meeting on the FTA review process;
- f. coordination of Angola's tariff offers and accession under the SADC Protocol on Trade; development, adoption, and implementation of the SACU Research Work Plan; and
- g. Publication and launch of a Book titled "*Southern African Customs Union Insights: A 15 Year Journey from 2004-2019*".

CHAPTER 3

POLICY DEVELOPMENT AND RESEARCH





Below is the summary of the key highlights identified above:

a. Implementation of the Refocused Ministerial Work Programme on Industrialisation, including development of the regional value chains, investment, and export promotion

The Secretariat continued to coordinate and facilitate the implementation of the Work Programme focused on industrialisation, including the development of regional value chains, investment, and export promotion. This was with a view to deepening the region's industrial base and positioning the SACU Member States to take advantage of the opportunities that will be created by the African Continental Free Trade Area (AfCFTA). The region conducted value chain mapping on the priority sectors (Agro-processing, Textiles and Clothing, Cosmetics and Essential Oils as well as Pharmaceuticals) to assess the relative competitiveness of each Member State. This work culminated in Sectoral Roundtables convened as outlined below.

- i. Fruits and Vegetables - 12th May 2021;
- ii. Meat and Meat Products - 27th May 2021;
- iii. Textiles and Clothing - 10th June 2021; and
- iv. Cosmetics and Essential Oils - 29th July 2021.

These Sectoral Roundtables were aimed to identify the developmental potential, export, and investment opportunities in the identified priority sectors/ value chains, as well as identify/consider policy constraints and challenges faced by the industry and propose possible policy interventions. The outcomes of the Sectoral Roundtables served as input in the

development of comprehensive Sectoral Reports that in turn will inform sectoral plans and strategies for the region.

In addition to the Sectoral Roundtables, a Workshop was convened for the pharmaceuticals sector on the 24th August 2021. The Workshop provided a platform for consultative engagement with the private sector on the development potential of the sector in the region. The Sectoral Roundtables and the Workshop served to inform and pave a way for the convening of the Investment Roundtable scheduled for April 2022.



On Export Promotion, SACU adopted the Export Scoping Engine (ESE+) Model as an interim Model for the identification of SACU's export opportunities in the priority sectors for the Sectoral Roundtables. Work on the development of the Regional Export Promotion Framework, the permanent Export Potential Model and an Export promotion Catalogue is being considered.

The activities under the Investment Promotion pillar focused on coordinating regional efforts to attract investment such as convening the Sectoral Roundtables for the priority sectors and preparations for the regional Investment Roundtable. Work also focused on the identification of investment projects to be showcased during the Investment Roundtable.

The Secretariat also facilitated the establishment of the Sub-Committee on Financing for Industrialisation, Infrastructure and Exports and three (3) Meetings were held during the period under review. A Draft Concept Note on how a financing mechanism could be established has been developed and is under consideration by the Sub-Committee.

b. Development and implementation of the SACU Research Work Plan

The Secretariat developed a Research Plan whose purpose was to guide SACU research activities and promote a coordinated research approach within the Secretariat. The Research Plan is also aimed at promoting capacity building and information dissemination. In addition, it was also introduced to ensure that the Secretariat undertake analysis that supports decision making and informs policy making for the SACU Member States.

c. Publication on "Southern African Customs Union Insights: A 15 Year Journey from 2004 -2019"

In its efforts to raise awareness, share knowledge and enhance the understanding of SACU and its role in economic development and growth in the region, the Secretariat produced and launched a publication titled "Southern African Customs Union Insights: A 15 Year Journey from 2004 to 2019". The production of this book was influenced by among others, the recognition that, whilst SACU is the oldest Customs Union in the world, its history as well as the developments in the Organisation remain undocumented and unknown to many. The ultimate objective was therefore to share information and raise awareness about the history of SACU, its operations and programme, among others, with the members of the public, private sector, media, and researchers.

d. Implementation of the African Continental Free Trade Area (AfCFTA)

The implementation of the AfCFTA remained as one of the key priority areas for SACU. In this regard, the Secretariat continued to coordinate the formulation of common positions and active participation of the SACU Member States to conclude outstanding issues in the AfCFTA phase I negotiations. In particular, the Secretariat facilitated nine (9) internal Meetings at Experts and Senior Trade Officials levels towards the finalisation of the SACU Tariff Offer to actualise the start of trading under the AfCFTA. This effort improved the SACU Tariff Offer to the AfCFTA to 7083 tariff lines accounting for 89.6 percent of the SACU Tariff Book, translating to a deficit of 0,4 percent to the target threshold of 90 percent.



In addition, the Secretariat played important roles in coordinating SACU Member States positions leading to the adoption of additional AfCFTA Rules of Origin at the AfCFTA level. These efforts resulted in the overall completion rate of 87.7 percent of AfCFTA Rules of Origin (RoO) at the end of 31 March 2022.

e. Implementation of the SACU-MERCOSUR Preferential Trade Agreement (PTA)

As per Article 27 of the SACU-MERCOSUR PTA, the Secretariat successfully facilitated the 2nd Meeting of the SACU-MERCOSUR Joint Administration Committee (JAC) held on the 5th October 2021. This Meeting considered issues of implementation of the Agreement by both parties. One of the key outcomes was the adoption of the Rules of Procedures for the JAC. The Meeting also provided guidance on the activities to be undertaken by both parties to facilitate and ensure effective implementation of the PTA.

f. Economic Partnership Agreement between SACU, Mozambique and the United Kingdom and Northern Ireland (SACUM-UK EPA)

Following the entry into force of the SACUM-UK EPA on the 1st January 2021, the Secretariat coordinated and facilitated the 1st Meeting of the Trade and Development Committee (TDC) on the 10th November 2021. This marked a major milestone in the implementation of the Agreement. The TDC facilitates and supervises the implementation of the Agreement. The 1st Meeting of this Committee mainly focused on the process of developing the Rules of Procedures and establishing the requisite institutions to ensure the smooth implementation of the Agreement.

g. Economic Partnership Agreement between the European Union (EU) and the SADC EPA States and (EU-SADC EPA)

The review of the EU-SADC EPA was launched during the 2021/22 Financial Year. The review is in line with Article 116 of the Agreement, which stipulates that the “Parties agree to review the Agreement in its entirety no later than five (5) years after its entry into force”. As part of this process, the Parties have established a Technical Working Group and both Parties have submitted preliminary proposals for further discussions.

h. Free Trade Agreement between SACU and the European Free Trade Association (SACU-EFTA FTA)

The Secretariat coordinated and hosted internal Meetings of SACU Experts and Senior Trade Officials in June and November 2021 to develop SACU positions on the SACU-EFTA FTA review. The Joint Meeting of SACU and EFTA Senior Trade Officials was successfully convened in November 2021 and considered matters under review, namely: improved market access on Basic Agricultural Products, Processed Agricultural Products, Customs and Origin and Trade Facilitation, and the chapter on Trade and Sustainable Development (TSD).

i. Angola’s accession to the SADC Protocol under the SADC Protocol on Trade

Angola’s accession to the SADC Protocol on Trade (SPT) signifies strategic interest for SACU Member States in terms of enhanced market access. Angola’s accession to the SPT is also important as it relates to discussions on Angola’s accession to the EU-SADC EPA. During the year under review the Secretariat undertook technical analysis of the Angola’s tariff offers to SADC Member States to inform SACU’s position on Angola’s tariff offers. The Secretariat also facilitated SACU’s engagement with Angola to fast track the accession process.



CHALLENGES ENCOUNTERED DURING THE YEAR UNDER REVIEW

- overstretched capacities in the Member States due to a congested Trade and Industry Agenda coupled with continued impact of the COVID-19 pandemic on the operations of the Secretariat and the Member State, affected the pace of formulating negotiating positions and delays in the implementation of the decisions taken;
- connectivity difficulties to the online platforms affected the efficiency of the virtual Meetings; and
- work in some negotiating areas could not advance due to the refocused Work Programme.

OUTLOOK FOR 2022/23 FY

For the 2022/23 FY, the focus will be on the following activities:

- continue to support the implementation of a refocused Industrialisation Work Programme as an overarching objective;
- facilitate preparations for the Investment Roundtable scheduled for 12-13 April 2022;
- finalising the SACU tariff offer to the AfCFTA;
- facilitate trade and policy related research issues that would inform policy decisions;
- commence work on the development of the regional export promotion framework, the SACU Export Potential Model; and
- continued technical support to the Member States on the SACU Trade Agenda including facilitating internal consultations on the ongoing trade negotiations, and during trade negotiations with third parties. These will include the negotiations for the built-in Agenda for the AfCFTA, SACU-India PTA, and the COMESA-EAC-SADC Tripartite FTA; and continued facilitation of the Member States engagements with trading partners concerning the implementation of the SACU-MERCOSUR PTA, SACUM-UK EPA and as well as the review of the SACU-EFTA FTA and EU-SADC EPA.

INTRODUCTION

This Chapter provides an overview of activities undertaken in the areas of Finance, Human Resources, Procurement, Records and Information Management, Information and Communications Technology and Facilities and Administration.

KEY HIGHLIGHTS FOR THE YEAR

Key highlights for the year under review included the following:

- continuation of the digital transformation program to create greater operational efficiencies in the Secretariat;
- development and implementation of a digital signing solution, which facilitates electronic signing of documents and contributes to the enhancement of the operational efficiencies;
- installation of the video-conferencing equipment in the Member States to facilitate virtual meetings; and
- a storm water drainage system was installed to mitigate against the risk of flooding of the SACU Headquarters.

Below is the summary of the key highlights identified above:

a. Continuation of the digital transformation program of the Secretariat

The digital transformation program efforts undertaken during the year under review involved the automating of further business processes by enabling additional workflows in procurement, bank reconciliations and petty cash replenishment, which represented the second phase of the digital transformation. This automation did not only achieve greater operational efficiencies but also significantly supported the Secretariat staff members to operate remotely after the rotational shift system was implemented to prevent the spread of the COVID-19 virus.

program and contributed to remote working, as well as digitalising some of the business processes with external parties, such as the electronic signature of contracts or agreements.

c. Installation of storm water drainage system

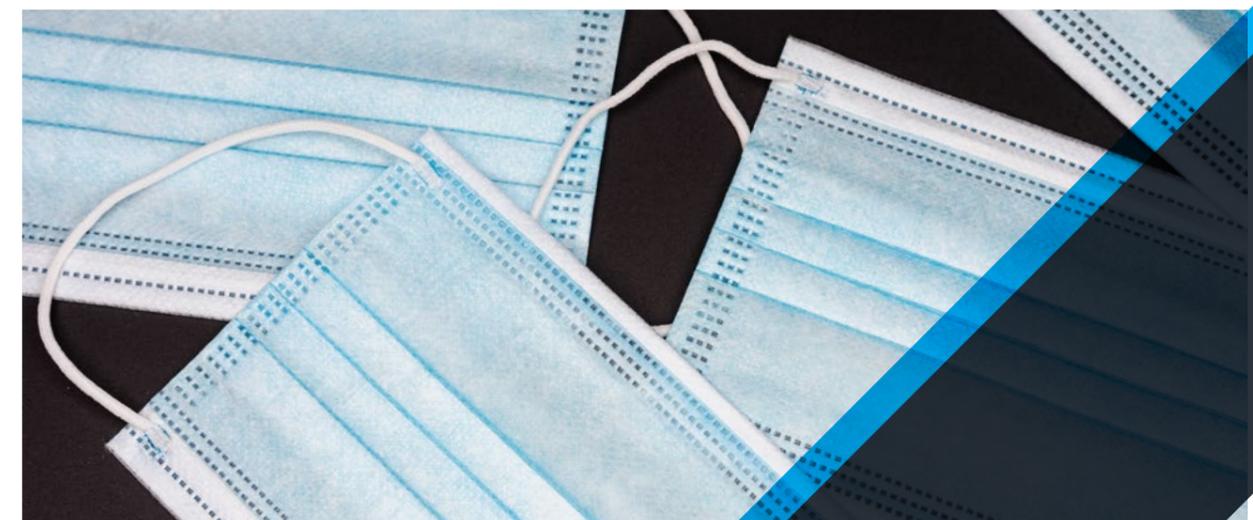
The Secretariat completed the installation of a storm water drainage system, which ensures that excess rainwater is diverted away from the Secretariat's building into the municipality's underground water pipe systems. The completion of this project helps the Secretariat to mitigate against the risk of flooding in the basement and surrounding areas.

b. Implementation of digital signature solution

The Secretariat completed the implementation of a digital signature solution, following approval of the e-Signature Policy by the SACU Council in February 2022. The solution enables electronic signing and approval of documents. This implementation served as an additional enabler for the digital transformation

d. Installation of the video-conferencing equipment

The installation of the video-conferencing equipment for the Secretariat and the SACU Member States was also completed. This system enhances participation in virtual meetings by enabling Members of the Institutions of SACU to participate in any virtual meetings in groups.



CHAPTER 4

SECRETARIAT'S OPERATING ENVIRONMENT

CHALLENGES ENCOUNTERED DURING THE YEAR UNDER REVIEW

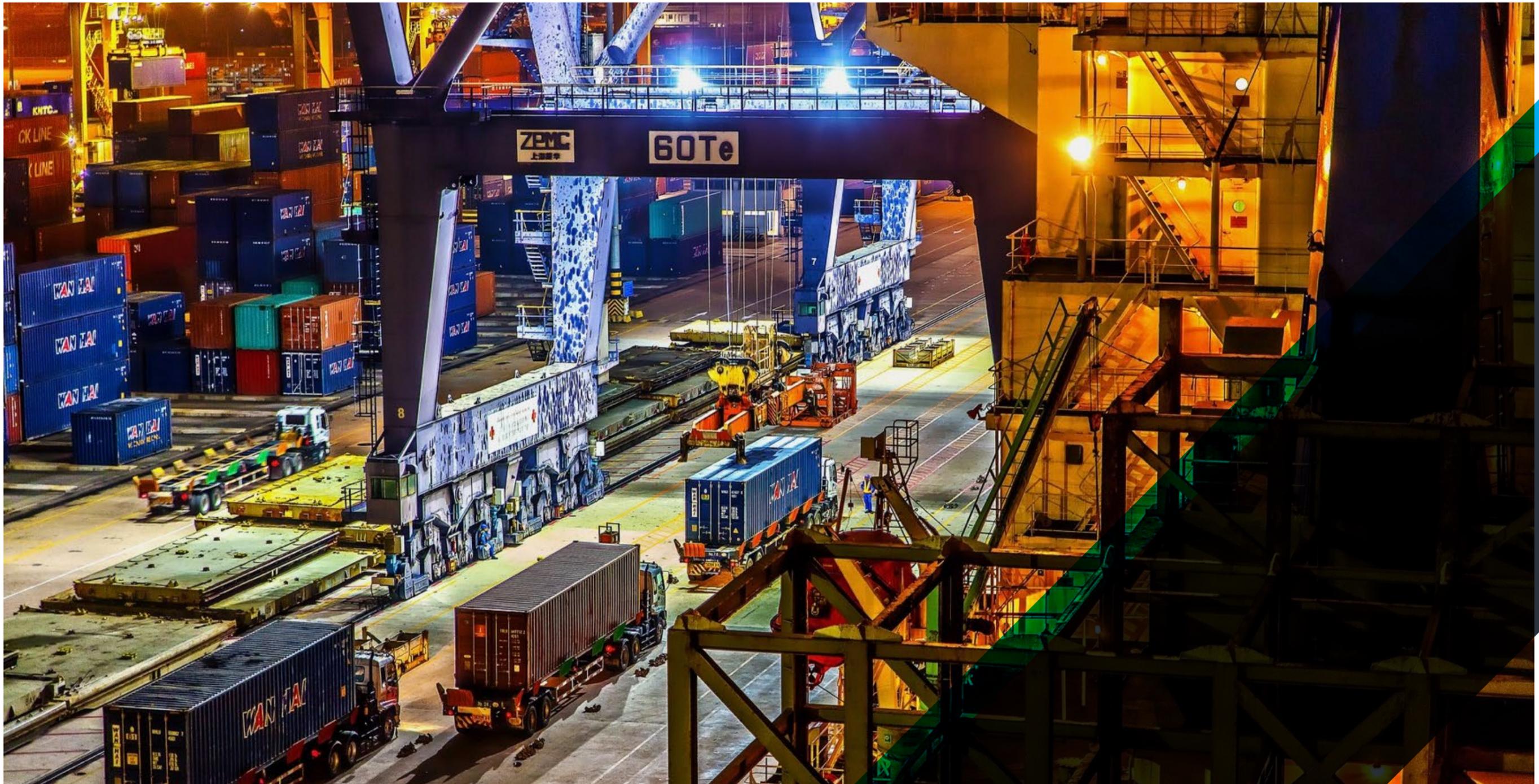
Challenges identified in the year under review were:

- the effect of the ongoing global travel restrictions and national lockdown measures owing to the COVID-19 pandemic, impacted external travel for Staff but had limited impact on the overall Work Programme, as the Secretariat continued with implementation of the activities in line with the approved business plans; and
- while virtual meetings ensured that SACU operations continued despite the pandemic related travel restrictions, there were also some connectivity challenges associated with the use of online platforms for some of the virtual meetings.

OUTLOOK FOR THE 2022/23 FY

The outlook for the following financial year is as follows:

- implementation of the Strategic Plan;
- approval and implementation of the Organisational Structure Review;
- review of the ICT strategy and its alignment to the Strategic Plan;
- development of a Cyber Risk Management Framework; and
- continued efforts to improve risk management culture, as well as the rollout of the revised Risk Management Policy.



ANNEX 1**SACU MEMBER STATES' ECONOMIC PERFORMANCE****GLOBAL ECONOMIC DEVELOPMENTS AND OUTLOOK FOR 2021/22 FY**

In April 2022, global economic growth was initially forecast to decline to 3.6 percent in 2022 and 2023 respectively. However, the growth prospects in July 2022, were revised to 3.2 percent in 2022 and 2.9 percent in 2023, down by 0.4 and 0.7 percentage points, respectively. The growth revisions are a result of risks materialising in 2022 following an uncertain recovery in 2021. Global output slumped during the second quarter amid recessions in China and Russia and lower-than-expected consumer expenditure in the US.

Risks to the global economic growth are tilting downside and could still undermine growth in 2022. The war in Ukraine has material consequences for the global economy seen through global spillovers. Since April 2022, Russian gas supplies to Europe have been curtailed by 40 percent compared to last year's supplies. The growth forecast assumes further gas exports but uncertainties regarding gas supplies in 2022/23 remain real. Should Russia completely stop her gas supplies to Europe in 2022, inflation would spiral out through higher energy prices. This would force energy rationing, affecting industries and reducing growth in Europe with negative cross-border spillovers. Inflation remains elevated and would return to near-pandemic levels by the close of 2024 while disinflation would be more costly than anticipated. Additionally, tighter financial market conditions would trigger debt distress in the emerging market and developing economies (EMDEs) while persistent slowdown in China would precipitate strong global spillovers. Similarly rising food and energy prices are more likely to cause broad hardships, famine, and unrest.

RECENT GLOBAL ECONOMIC DEVELOPMENTS: GLOOMY, ELEVATED UNCERTAINTY

The global economic outlook for 2022 remains less optimistic than previously recorded. Global growth performed slightly more than expected during the first quarter but contracted second quarter owing to downturns in China and Russia. Downside risks highlighted in April 2022 have come to pass, with rising global inflation driven mainly by the US and the Euro area, leading to tighter global financial conditions, sharp reductions in China amid pandemic lockdowns coupled with negative spill overs from the war in Ukraine.

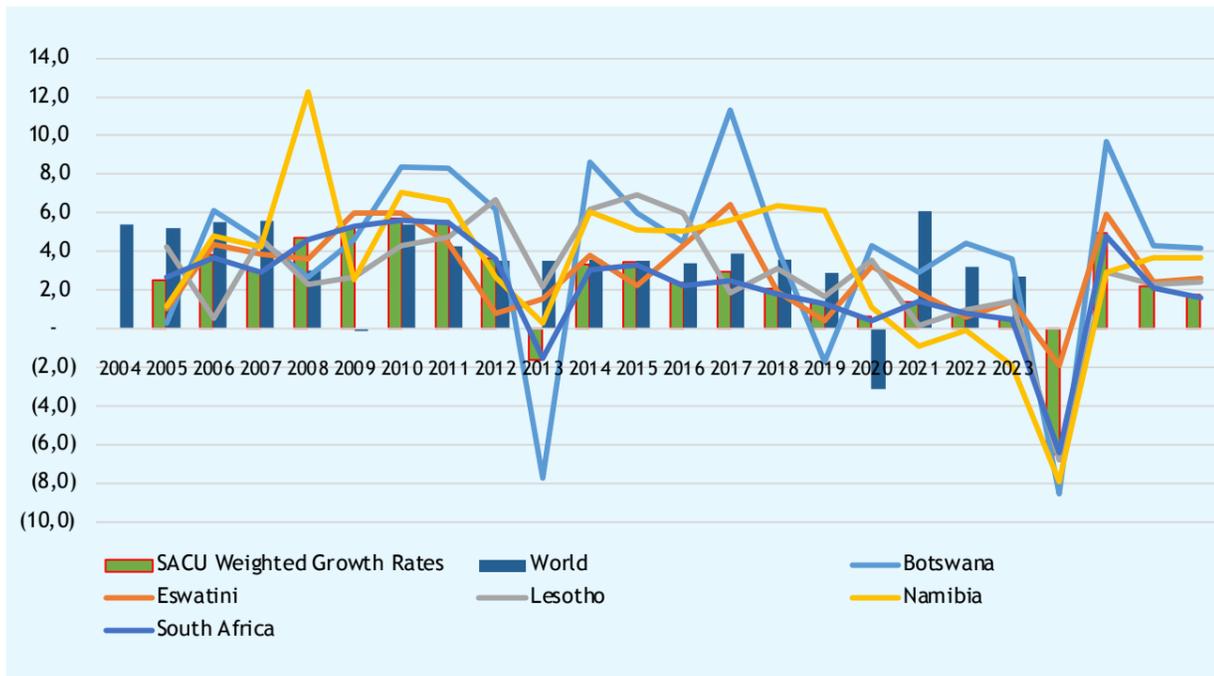
Growth in advanced economies (AEs) is now forecast at 2.5 percent in 2022 and 1.4 percent in 2023, representing a 0.8 and 1.0 percentage points weaker than in the April 2022 respectively amid growth revisions in the US and Euro area. Growth prospects have been largely revised in the US amid weak private consumption in the country owing to erosion of the purchasing power and the anticipated impact of a tighter monetary policy to curb inflation. In Europe, improved growth prospects for tourism in Italy have been undermined by growth downgrades in Germany, France and Spain primarily owing to the Ukraine war spill overs and the European Central Bank rolling back net asset purchases and raising policy rates in July 2022 for the first time since 2011.

In the EMDEs, growth projections have also been revised downwards to 3.6 and 3.9 percent for 2022 and 2023 - down by 0.2 and 0.5 percent, respectively. Growth prospects in EMDEs are driven by China's sharp decline to 3.3 percent (down by 1.1 percentage points-the lowest growth rate in over four decades, except for the year 2020) where the pandemic-driven supply chains were throttled by lockdown in Shanghai. In Sub-Saharan Africa (SSA), growth is forecast at 3.8 and 4.0 percent respectively for 2021 and 2023 - unchanged since January and April 2022. Growth prospects reflect the effects of higher fossil fuel and metal prices for most of the commodity exporting countries.

Inflation remains elevated and more persistent as compared to the April outlook driven by rising commodity prices due to the war and the increasing price pressures. Global inflation has been revised to 8.3 and 5.7 percent for 2022 and 2023 - representing a 0.9 percentage point revision, respectively. Inflation is thus forecast at 6.6 percent in AEs, and 9.5 percent in EMDEs in 2022 -representing 0.9 and 0.8 percent increase respectively compared to April outlook. This is owing to heightened headline inflation in the Euro area. In EMDEs inflation prospects remain varied with modest increases in developing Asia amid China's slowdown in economic activity. Meanwhile inflation remains persistent and entrenched in most SACU economies. Accordingly, the Bank of Namibia short-term inflation forecasts show elevated inflation levels driven by food, alcoholic beverages & tobacco as well as transport prices. Medium-term inflation is forecast to average 6.0 percent and 4.5 percent in 2022 and 2023 respectively¹.

¹ data from the Bank of Namibia April 2022 inflation outlook

Figure 1: World and Regional Economic Growth Rates (annual % change)



Source: Data from WEO April 2022 and Member States Budgets for 2022/23 FY

REAL SECTOR, BUDGET, AND CURRENT ACCOUNT DEVELOPMENTS

Revenue in the Member States is projected to grow modestly in 2022/23 having declined at the height of the pandemic in 2020. Meanwhile government expenditure is estimated to have increased in all Member States resulting in budget deficits across the economies and mounting pressures on government coffers. Similarly, government debt is largely on the rise across the region driven by the need to finance rising deficits and increased government expenditure emanating from the pandemic scarring. Inflation remains generally on an upward trajectory across the Member States mainly owing to rising commodity and food prices, global supply-demand imbalances from the pandemic and the Russia-Ukraine war. Inflation is, however, expected to be within most central banks' objectives range.



BOTSWANA



BOTSWANA

Botswana recorded a nominal GDP of P195.3 billion in 2021 against P172.6 billion in 2020. GDP is forecast at P223.2 billion in 2022.

Growth is estimated to have rebounded to 9.7 percent for Botswana in 2021 driven by both mining and non-mining sectors after a contraction of 8.5 percent in 2020. However, growth is expected to moderate to 4.3 percent in 2022 amid better global economic prospects and buoyed by the fight against the pandemic and relaxation of international travel and tourism.

Botswana's total revenues and grants are budgeted at P67.9 billion this financial year. However, most revenue generating sources are projected higher revenues in 2022/23 - amid declining customs duties due to expected adjustments in SACU receipts. On the other hand, total expenditure and net lending would stand at P74.8 billion. This has resulted in an overall balance and deficit projected at P6.9 billion (3.2 percent of GDP). It is anticipated that this budget deficit will be financed through the issuance of domestic Government securities and external borrowing through bonds and Treasury bills, and external borrowing. SACU receipts declined from R23.7 billion in 2020/21 to R18.7 billion in 2021/22 and would decline by a further P405 million in 2022/23 owing to declining customs and excise revenues from the adjustment of SACU receipts following the previous overpayments.

With reference to balance of payments, the merchandise trade account balance P20.1 billion (11.6 percent of GDP) was recorded in 2020 compared to the lower rate of 4.4 percent of GDP recorded in the first half of 2021. This reflects net foreign exchange outflows as payments for imports and various government obligations and other offshore investments eclipsed earnings from exports, transfers, and foreign investment.

Total public debt is projected at P27.8 billion for 2020 (17.6 percent of GDP). Public Debt is forecast at P38.9 billion for the period 2021/22 (23.4 percent of GDP) and low by regional and international standards. Thus, the Nonetheless, for 2021 total public debt is expected to fall within the statutory ceiling of 40 percent of GDP, amid persistent and structural budget deficits. Government is embarking on enhanced debt management strategy and attendant monitoring instruments.

In December 2021, headline inflation was 8.7 percent - the highest in a decade mainly driven by rising administered prices and global fuel prices. This inflation rate was outside the central bank's objective. Nonetheless, inflation is expected to moderate throughout 2022 and return to within the 3-6 percent objective in the medium-term.

The economic growth rate is forecast at 4.2 percent for 2023 against the anticipation that non-mining sector growth bolstered by accommodative monetary policy and stronger water, electricity, and finance sectors.



ESWATINI



ESWATINI

Eswatini recorded a nominal GDP amounting to E65.4 billion in 2020 and is estimated at E73.0 billion in 2021.

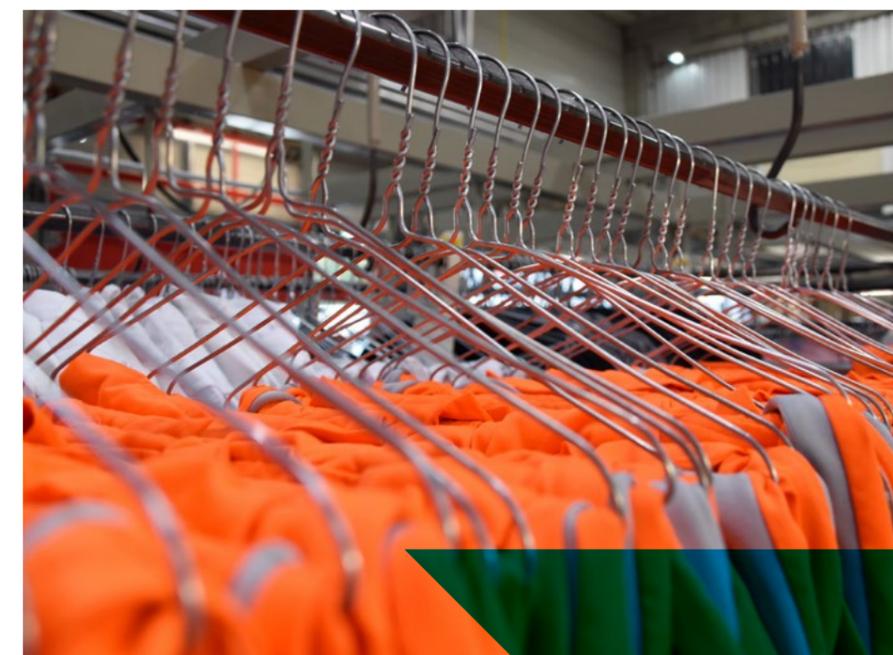
In Eswatini, the pandemic accelerated amid economic and fiscal deterioration which had already been taking place. Economic output is estimated to have contracted by 1.9 percent in 2020 amid weak external demand and lockdowns. However, growth projections indicate a rebound of 5.9 percent in 2021. Nonetheless, growth was stifled to a large extent by the pandemic and civil unrest which curtailed growth in key sectors like tourism, wholesale, and trade.

Eswatini's revenue excluding grants in the 2022/23 fiscal year is forecast to reach E18.7 billion, (23.8 percent of GDP), representing a decrease of 2 percent on 2021/22. Of this, SACU receipts declined from E6.4 billion in 2021/22 to E5.8 billion in 2022/23. Meanwhile expenditure, is projected at E23.2 billion, culminating in a budget deficit of E3.8 billion (4.8 percent of GDP) for financial year 2022/23 compared to E4.6 billion (6.5 percent of GDP) in 2021/22 - which will be financed mainly through external borrowing. Preliminary balance of payments for Eswatini points to a current account surplus of E1.9 billion in 2021 compared to E4.3 billion in 2020 (about 6.8 percent of GDP) driven by positive trade balance with its key trading partner, South Africa. This was attributable to resilient exports during the period under review - albeit registering a deficit of E2.5 billion in the services account.

Total public debt is projected at E27.7 billion for 2021 (39.8 percent of GDP). Some loans have matured in 2021 thereby reducing government obligations to external parties - a move that would help curtail debt servicing of loans.

Year-on-year inflation fell from 3.3 percent in February 2022 compared to 3.3 percent in January 2021 amid declining prices for recreation & culture; clothing and footwear as well as transport. Inflation would average 4.2 percent in 2022 and is forecast at 4.05 percent in 2023 amid pressures from the uncertain pandemic path, unforeseen adjustments in administered prices and the global oil prices due to Russia-Ukraine war.

The medium-term outlook remains uncertain for the domestic economy. However, some sectors would drive growth leading to an estimated 2.4 and 2.6 percent growth in 2022 and 2023 respectively down from an estimated 5.9 percent in 2021.



LESOTHO



LESOTHO

Lesotho's nominal GDP is estimated at M37.8 billion in 2021 against the previous projection of M33.1 billion in 2020. GDP is forecast at M41.7 billion in 2022.

Lesotho's overall economic growth declined by -6.8 percent of GDP in 2020 due to the pandemic. Growth later improved to 2.9 percent in 2021 as some sectors recovered from the pandemic shock. These projections are, however, subject to risks relating to the future path of the pandemic and its impact on key sectors of the economy.

Total revenue is projected to stand at M19.7 billion including SACU revenues and grants. At the same time, expenditure is projected at M23 billion (53.9 percent of GDP). This will result in a budget deficit of about 7.7 percent of GDP. SACU revenue is projected at M5.4 billion-down from the previous year's collection by M608 million. The budget deficit would be financed through issuance of treasury bonds and bills, and draw-down of reserves by M1.3 billion.

Lesotho is faced with persistent deterioration of its external position with the current account balance running deficit. The deficit stood at M688 million (1.8 percent of GDP in 2020/21) widening to M2 billion (5.4 percent of GDP) in 2021/22 FY due to declining terms of trade since 2012/13 as growth in exports was lower than growth in imports. The public guaranteed debt stood at M19.6 billion in January 2021 and slightly down to M18.9 billion in February 2022. Debt has been on the rise over the last three (3) years, especially domestic debt mainly driven by rising budget deficits and externally by the depreciation of the local currency, the Loti against major currencies like the US dollar. This is because the bulk of the external debt is denominated in the US dollar and other major currencies.

With respect to domestic price developments, annual inflation is estimated around 5.0 percent for the 2021/22 fiscal year up from the 4.1 percent from the previous year. The increase in domestic prices would be influenced by imported food inflation from South Africa as well as other energy prices and local administered prices from electricity and water.

Growth is estimated at 2.3 and 2.4 percent in 2023 and 2024 respectively driven by growth in mining output and construction sectors - especially from the Lesotho Highlands Water Project II including wholesale and retail trade sectors.



NAMIBIA



NAMIBIA

In Namibia, nominal GDP was recorded at a R181.6 billion in 2021 up from R174.9 billion in 2020. GDP is forecast at N\$195.1 billion in 2022.

Growth in Namibia is estimated to have contracted by 7.9 percent in 2020, amid the pandemic shock. However, the economy is estimated to have grown by 2.9 percent in 2021 and expected to post a moderate growth of 3.7 percent in 2022 and 3.7 percent in 2023 respectively. Growth predictions are assumed on the expectations of strong output mainly in the primary and secondary industries, while growth in tertiary industries is estimated to remain muted over the medium-term.

Namibia's estimated revenue for 2022/23 FY is N\$59.7 billion which is about 11.7 percent higher 2021/22 FY estimate. This growth in revenue is expected to continue with the upward trajectory, increasing to N\$61.8 billion and N\$64.7 billion in 2023/24 FY and 2024/25 FY respectively. On the other hand, government expenditure is projected to rise to N\$70.8 billion in 2022/23 FY which translates to a budget deficit of 5.6 percent of GDP and would average a slightly lower 5.5 percent of GDP over the medium term amid fiscal consolidation strategy.

With respect to the external sector, Namibia's current account recorded a surplus of N\$4.9 billion (2.1 percent of GDP) in 2020 (driven by subdued domestic demand amid the pandemic shock. This was attributable to a waning trade deficit against the backdrop of subdued domestic demand amid the pandemic. Conversely, in 2021 the current account posted a deficit as the merchandise trade deficit widened coupled with declining secondary income flows. The deficit thus stood at N\$16.5 billion in 2021 (9.1 percent of GDP) - owing to rising imports against sluggish exports. The surplus in the income account declined, attributable to declining SACU receipts in 2021.

In January 2022 public debt stood at NS124.8 billion (about 66.7 percent of GDP). Public debt concerns remain elevated, and debt is expected to increase to N\$140.2 billion (71 percent of GDP) amid a persistent budget deficit. The government endeavours to redirect revenue to debt redemption and reduction in borrowing requirements as the economy rebounds over the next few years.

Annual average inflation is estimated at 3.6 percent in 2021 more than previously forecast at 3.2 percent. Average annual inflation would rise to about 6.1 percent in 2022 - mainly driven by food and transport components which are expected to be elevated in 2022.

However, the economic growth is estimated at 2.9 percent in 2021 and would strengthen to 3.7 percent in 2022 mainly driven by a rebound in mining agriculture, transport, wholes sale and retail trade, among other activities.



SOUTH AFRICA



SOUTH AFRICA

South Africa's GDP at current market prices amounted to R6.25 trillion in 2021 and is estimated at R6.4 trillion in 2022, reaching R6.7 billion in 2023. South Africa's growth is estimated at a revised -6.4 percent for 2020 owing to weaker growth outcomes as the pandemic upended global growth. Nonetheless, the economy grew by an estimated 4.8 percent in 2021 following the pandemic drag and is forecast to grow by 2.1 percent in 2022 as it returns to pre-pandemic production levels (due to the impact of existing structural constraints) and average 1.8 percent in the medium-term.

The country's consolidated budget revenue as at Budget 2022 is forecast at R1,770.6 billion (24.8 percent of GDP) and government expenditure is forecast at R2,157.3 billion (28.7 percent of GDP) for 2022/23. This would result in a deficit of R386.6 billion (6.0 percent of GDP) during the period under review. The fiscal outlook has improved over the past year due to higher-than-expected revenue collections. Thus, the consolidated budget deficit would reduce from 5.7 percent of GDP in 2021/22 to 4.2 percent by 2024/25.

Meanwhile, debt-to-GDP ratio has been rising since 2008 during the fiscal crisis and has exceeded 50 percent of GDP over the period under review. This increase is due to sustained budget deficits and weak economic growth. Thus, government has used higher-than-expected revenue to curtail gross borrowing requirement until 2024/25. As such, gross borrowing is expected to stabilise around 2024/25 and moderate thereafter in tandem with the risk premium.

Government debt stock is forecast to rise from R4.35 trillion (equivalent to 69.5 percent of GDP) in 2021/22 to R5.1 trillion (equivalent to 74.4 percent of GDP) in 2024/25 together with net loan debt and contingent liabilities. Government aims to finance its borrowing using the least possible costs through a mix of debt instruments and maturities to finance the borrowing costs. The current account surplus is expected to remain unchanged at 3.8 percent of GDP in 2021 underpinned by a stronger trade performance amid exports growing faster than imports. Most of the impressive performance is due to growth in the mining sector - representing over 60 percent exports iron ore, rhodium, and coal. In 2022 the current account is forecast to moderate to a marginal surplus but later slide into a 1.2 and 1.5 percent deficit in 2023 and 2024, respectively.

Headline inflation is forecast at 4.8 percent in 2022 but would decline slightly to 4.4 percent in 2023. Factors driving inflation are expected to be rising food & energy prices and higher administered (particularly municipal electricity) prices in 2022. However, fuel prices would ease in 2022 to 2019 average prices after rising significantly in December 2021 amid higher crude oil prices. Constricted global supply chains and supply-demand imbalanced would be a source of rising inflation and higher material and intermediate input prices.

South Africa's growth is forecast at 4.8 percent in 2021 as the economy emerges from COVID-19 ramifications and would decline slightly to pre-pandemic levels to 2.2 and 1.6 percent in 2022 and 2023, respectively.



GLOBAL AND REGIONAL CONSUMER PRICE DEVELOPMENTS—ENTRENCHED INFLATION

Inflation remains elevated and more persistent as compared to the January 2022 outlook - driven by rising commodity prices due to the war and the increasing price pressures. Inflation is thus forecast at 5.7 percent in AEs, and 8.7 percent in EMDEs - representing 1.8 and 2.8 percent increase respectively compared to January 2022 outlook. Nonetheless, inflation is expected to moderate to 2.5 and 6.5 percent for AEs and EMDEs respectively in 2023. Prior to the war, inflation was already on the rise across the world due to record high commodity prices and pandemic induced supply-demand imbalances. Persistent inflation likelihood remains elevated with aggravated supply-demand imbalances from the war and the upward trajectory of commodity prices which would drive up inflation expectations and stronger wage growth. Higher wage demands would add more pressure to inflation.

Supply-demand imbalances are resolved since January 2022 and employment is expected to pick across several economies. However, deepening supply-demand imbalances from the war and a broader rise in commodity prices could drive inflation higher inflation expectations and stronger wage growth. This could cause central banks to react quicker in clamping down inflation but would expose debt fractures especially in EMDEs.



INTRA-SACU IMPORTS 2019/20

In 2019/20 FY, intra-SACU imports increased for the second consecutive year, registering 2.2 percent to R200.4 billion from R196.1 billion recorded in 2018/19 FY. The increase was notable in Botswana (2.9 percent), Eswatini (2.0 percent), Lesotho (5.0 percent) and Namibia (5.9 percent). This translated into an overall increase in intra-SACU imports, thereby offsetting the decline that was recorded in South Africa (-4.5 percent).

Intra-SACU imports within Member States remained relatively the same over the last five years, however, a contraction is anticipated in 2020/21 FY due to COVID-19. Intra-SACU imports were highest in Botswana, accounting for 33.5 percent of total intra-SACU imports followed by Namibia (27.2 percent), South Africa (20.2 percent), Eswatini (9.7 percent), and Lesotho (9.5 percent). Table 3 is an illustrative presentation of trends in intra-SACU imports.

Table 2: INTRA-SACU Imports Statistics (R Millions)

Member States/FY	2015/16	2016/17	2017/18	2018/19	2019/20
Botswana	68,680	61,349	57,985	65,282	67,175
Eswatini	16,916	17,352	17,962	19,009	19,392
Lesotho	16,173	17,056	20,494	18,075	18,978
Namibia	61,107	61,886	55,052	51,371	54,422
South Africa	37,761	37,888	40,885	42,375	40,465
SACU	200,637	195,531	192,378	196,112	200,431
Growth Rates (%)					
Member States/FY	2015/16	2016/17	2017/18	2018/19	2019/20
Botswana	10.3%	-10.7%	-5.5%	12.6%	2.9%
Eswatini	2.9%	2.6%	3.5%	5.8%	2.0%
Lesotho	16.2%	5.5%	20.2%	-11.8%	5.0%
Namibia	16.6%	1.3%	-11.0%	-6.7%	5.9%
South Africa	34.2%	0.3%	7.9%	3.6%	-4.5%
SACU	15.8%	-2.5%	-1.6%	1.9%	2.2%
Share Intra-SACU Imports (%)					
Member States/FY	2015/16	2016/17	2017/18	2018/19	2019/20
Botswana	34.2%	31.4%	30.1%	33.3%	33.5%
Eswatini	8.4%	8.9%	9.3%	9.7%	9.7%
Lesotho	8.1%	8.7%	10.7%	9.2%	9.5%
Namibia	30.5%	31.7%	28.6%	26.2%	27.2%
South Africa	18.8%	19.4%	21.3%	21.6%	20.2%

Botswana's intra-SACU imports increased at a decreasing rate from 2018/19 FY to 2019/20 FY. In 2019/20 FY, Botswana registered an increase of 2.9 percent to R67.2 billion from R65.3 billion in 2018/19. *Mineral Fuels, Mineral Oils and Products of their Distillation; Bituminous Substances; Mineral Waxes* (Chapter 27) remained the main imported commodity in 2019/20, with a share of 15.3 percent of the total intra-SACU imports mainly from South Africa. This was followed by *Natural or Cultured Pearls, Precious or Semi-Precious Stones, Precious Metals, Metals Clad with Precious Metal and Articles Thereof; Imitation Jewellery*; (Chapter 71) with a share of 14.8 percent, imported from Namibia. In 2019/20 FY, *vegetables plaiting materials; vegetables products not elsewhere specified* (Chapter 14) were among the least imported products by Botswana. The

main source of commodities imported into Botswana from the Common Customs Area in 2019/20 FY was from South Africa, accounting for 88.0 percent of the total intra-SACU imports followed by Namibia, accounting for 11.2 percent of the total intra-SACU imports.

Eswatini's intra-SACU imports increased by 2.0 percent to R19.4 billion in 2019/20 FY from R19.0 billion recorded in 2018/19 FY. The main commodities imported by Eswatini from the region during the reporting period were *Mineral Fuels, Mineral Oils and Products of their Distillation; Bituminous Substances; Mineral Waxes* (Chapter 27) with a share of 9.4 percent of the total intra-SACU imports, from South Africa. This was followed by *Vehicles (Excluding Railway or Tramway Rolling-Stock), and Parts and Accessories Thereof* (Chapter

ANNEX 2

INTRA-SACU IMPORTS 2019/20



87) with a share of 6.9 percent also imported from South Africa. The products that were least imported by Eswatini from the region were *vegetables planting materials; vegetables products not elsewhere specified* (Chapter 14) and *Cork and articles of cork* (Chapter 45). South Africa remained the main source of commodities imported by Eswatini in 2019/20 FY, accounting for 99.2 percent of the total intra-SACU imports, followed by Lesotho, accounting for 0.6 percent of the total intra-SACU imports.

Lesotho's intra-SACU imports grew considerably by 5.0 percent approximating R19.0 billion (i.e., R18.98 billion) in 2019/20 FY from R18.1 billion recorded in 2018/19 FY. *Mineral Fuels, Mineral Oils and Products of their Distillation; Bituminous Substances; Mineral Waxes* (Chapter 27) remained the main imported commodity from the region in 2019/20 FY, accounting for 15.2

percent of intra-SACU imports. This was followed by *Nuclear Reactors, Boilers, Machinery and Mechanical Appliances; Parts Thereof* (Chapter 84) accounting for 8.2 percent of intra-SACU imports from the region. The least product that was imported by Lesotho from the region in 2019/20 FY was *Tin and articles thereof* (Chapter 80). South Africa remained the main source of commodities imported into Lesotho from the Common Customs Area in 2019/20 FY, accounting for 99.4 percent of the intra-SACU imports, followed by Eswatini accounting for 0.3 percent of the intra-SACU imports.

Namibia registered the highest increase of intra-SACU imports in the region, at 5.9 percent to R54.4 billion in 2019/20 FY from R51.4 billion in 2018/19 FY. The main products imported by Namibia in 2019/20 FY were: *Vehicles (Excluding Railway Or Tramway Rolling-Stock), and Parts and Accessories Thereof* (Chapter 87) with

a share of 10.7 percent; and *Mineral Fuels, Mineral Oils and Products of their Distillation; Bituminous Substances; Mineral Waxes* (Chapter 27) with a share of 9.5 percent, both mainly imported from South Africa. The least product that was imported by Namibia from the region in 2019/20 FY was the *original equipment components* (Chapter 98). South Africa continued to be the main source of commodities imported into Namibia from the Common Customs Area in 2019/20 FY, accounting for 96.3 percent of the intra-SACU imports followed by Botswana accounting for 3.0 percent.

South Africa's intra-SACU trade declined by 4.5 percent to R40.5 billion in 2019/20 FY from R42.4 billion in 2018/19 FY. The decline was felt among the top imported commodities that included *Natural or Cultured Pearls, Precious or Semi-Precious Stones, Precious Metals, Metals Clad with Precious Metal and Articles Thereof;*

Imitation Jewellery; Coin (Chapter 71), which declined by 67% year-on-year between 2019/20 FY and 2018/19 FY. The main commodities imported by South Africa from the region in 2019/20 FY were *Essential Oils and Resinoids; Perfumery, Cosmetic or Toilet Preparations* (Chapter 33) accounting for 12.7 percent of the intra-SACU imports from Eswatini, followed by *Sugars and sugar confectionery* (Chapter 17) with a share of 11.0 percent sourced, also sourced from Eswatini. The least product that was imported by South Africa from the region in 2019/20 FY was *Products of fur and artificial fur; Manufactures Thereof* (Chapter 43). The main source for commodities imported into South Africa from the Common Customs Area in 2019/20 FY was from Eswatini, accounting for 46.8 percent of the intra-SACU imports, followed by Namibia accounting for 21.1 percent.

SOUTHERN AFRICAN CUSTOMS UNION

Annual Financial Statements for the year ended 31 March 2022

Prepared by: Gaelekanc R. Mohale
 Professional designation: FCCA (BW/UK)
 Reviewed by: Mohammed M. Hoosain
 Professional designation: CA (SA)

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ANNEX 3

ANNUAL FINANCIAL STATEMENTS



SOUTHERN AFRICAN CUSTOMS UNION

Annual Financial Statements for the year ended 31 March 2022

GENERAL INFORMATION

Country of Incorporation and Domicile	Namibia
Nature of Business and Principal Activities Executive Committee	Customs Union Secretariat
Council of Ministers	Ms. PM. Elago Ms. A. Andrade Mr. BR. Katjipuka Ms. ND. Oitsile Mr. AP. Iyambo Mr. DS. Ndwandwe
Member States	The Republic of Botswana The Kingdom of Eswatini The Kingdom of Lesotho The Republic of Namibia The Republic of South Africa
Registered Office	Corner Julius K Nyerere and Feld Street, Windhoek, Namibia
Business Address	Comer Julius K Nyerere and Feld Street, Windhoek, Namibia
Postal Address	Private Bag 13285 Windhoek, Namibia
Bankers	Standard Bank Namibia Limited Bank Windhoek

SOUTHERN AFRICAN CUSTOMS UNION

Annual Financial Statements for the year ended 31 March 2022

Council of Ministers Responsibilities and Approval

The Council of Ministers are required to maintain adequate accounting records and are responsible for the content and integrity of the annual financial statements and related financial information included in this report. It is their responsibility to ensure that the annual financial statements satisfy the financial reporting standards with regards to form and content and present fairly the statement of financial position, results of operations and business of the organisation, and explain the transactions and financial position of the business of the organisation at the end of the financial year. The annual financial statements are based upon appropriate accounting policies consistently applied throughout the organisation and supported by reasonable and prudent judgements and estimates.

The Council of Ministers acknowledge that they are ultimately responsible for the system of internal financial control established by the organisation and place considerable importance on maintaining a strong control environment. To enable the the Council of Ministers to meet these responsibilities, the Council of Ministers set standards for internal control aimed at reducing the risk of error or loss in a cost effective manner. The standards include the proper delegation of responsibilities within a clearly defined framework, effective accounting procedures and adequate segregation of duties to ensure an acceptable level of risk. These controls are monitored throughout the organisation and all employees are required to maintain the highest ethical standards in ensuring the organisation's business is conducted in a manner that in all reasonable circumstances is above reproach.

The focus of risk management in the organisation is on identifying, assessing, managing and monitoring all known forms of risk across the organisation. While operating risk cannot be fully eliminated, the organisation endeavours to minimise it by ensuring that appropriate infrastructure, controls, systems and ethical behaviour are applied and managed within predetermined procedures and constraints.

The Council of Ministers are of the opinion, based on the information and explanations given by management, that the system of internal control provides reasonable assurance that the financial records may be relied on for the preparation of the annual financial statements. However, any system of internal financial control can provide only reasonable, and not absolute, assurance against material misstatement or loss. The going-concern basis has been adopted in preparing the financial statements. Based on forecasts and available cash resources the Council of Ministers have no reason to believe that the organisation will not be a going concern in the foreseeable future. The financial statements support the viability of the organisation.

The annual financial statements set out on pages 72 to 89, which have been prepared on the going concern basis were approved by the Council of Ministers and were signed on the 17 of **November** 2022, on their behalf by:

Chairperson of the SACU Council
of Ministers

Acting Executive Secretary of the
SACU Secretariat

SOUTHERN AFRICAN CUSTOMS UNION

Annual Financial Statements for the year ended 31 March 2022

Council of Ministers Report

The Council of Ministers present their report for the year ended 31 March 2022.

1. Review of financial results and activities

Main business and operations

The organisation is the Southern African Customs Union Secretariat. There were no major changes herein during the year.

The organisation generated a deficit after tax for the year ended 31 March 2022 of R20,646,290 (2021: R7,250,165).

The organisation's revenue decreased from R71,360,737 in the prior year to R69,753,420 for the year ended 31 March 2022.

The organisation cash flows from operating activities changed from an outflow of R721,606 in the prior year to an outflow of R6,925,070 for the year ended 31 March 2022.

2. Going concern

The financial statements have been prepared on the basis of accounting policies applicable to a going concern. This basis presumes that funds will be available to finance future operations and that the realisation of assets and settlement of liabilities, contingent obligations and commitments will occur in the ordinary course of business.

3. Events after reporting date

All events subsequent to the date of the financial statements and for which the applicable financial reporting framework requires adjustment or disclosure, have been adjusted or disclosed.

The Council of Ministers are not aware of any matter or circumstance arising since the end of the financial year to the date of this report that could have a material effect on the financial position of the organisation.

Impact of COVID-19

The Coronavirus (COVID-19) pandemic continued to spread globally but did not prevent the organisation from undertaking its mandate.

4. Council of Ministers interest in contracts

None of the Council of Ministers have reported any interest in contracts entered into during the year under review.

5. Executive Committee

The Executive Committee of the organisation during the year and up to the date of this Report are as follows:

Ms. PM. Elago
Ms. A. Andrade
Mr. BR. Katjipuka
Ms. ND. Oitsile
Mr. AP. Iyambo
Mr. DS. Ndwandwe

SOUTHERN AFRICAN CUSTOMS UNION

Annual Financial Statements for the year ended 31 March 2022

Council of Ministers Report

6. Member States

There have been no changes in Member States during the current financial year. The Member States are:

The Republic of Botswana
The Kingdom of Eswatini
The Kingdom of Lesotho
The Republic of Namibia
The Republic of South Africa



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 Vasha House Lot 54357,
 Central Business District
 Email: oag@gov.bw

REPUBLIC OF BOTSWANA
 BOTSWANA

Office of the Auditor General
 Private BAg 0010
 Gaborone
 Botswana

OFFICE OF THE AUDITOR GENERAL

REPORT OF THE INDEPENDENT AUDITOR TO THE MEMBERS OF THE SACU COUNCIL OF MINISTERS

Opinion

I have audited the financial statements of Southern African Customs Union Secretariat for the year ended 31st March 2022. These financial statements comprise the statement of financial position as at 31st March 2022, the statement of comprehensive income, statement of cash flows, notes to the financial statements, and a summary of significant accounting policies.

In my opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Southern African Customs Union Secretariat as at 31st March 2022, its financial performance and its cash flows for the year then ended, in accordance with International Financial Reporting Standards.

Basis for Opinion

I conducted the audit in accordance with the International Standards for Supreme Audit Institutions (ISSAIs). My responsibilities under those standards are further described in the *Auditor's Responsibility* section of the report. I am independent of the organisation in accordance with the Code of Ethics of International Organisation for Supreme Audit Institutions (INTOSAI Code) together with the ethical requirements that are relevant to our audit of the financial statements in Botswana, and I have fulfilled my other ethical responsibilities in accordance with these requirements and the INTOSAI Code. I believe that the audit evidence I have obtained is sufficient and appropriate to provide the basis for my opinion.

Key Audit Matters

I have determined the following as key audit matters to communicate in my report;

Virtual or hybrid audit resulted in some challenges as it was not easy to have access to information in a timely manner and in the preferred format. This impacted the timeliness of the audit particularly that it was my first year of audit and needed to do a lot in understanding the entity. The use of virtual audit relied heavily on technology and internet, therefore any problems with connectivity affected accessibility to information and communication with the auditee.

Responsibility of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the International Financial Reporting Standards and legislation, and for such internal control as Management determines is necessary to enable the presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, Management is responsible for assessing the entity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless Management either intends to liquidate the entity or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the entity's financial reporting process.

Auditor's Responsibility

My objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with International Standards for Supreme Audit Institutions will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with International Standards for Supreme Audit Institutions, I exercise professional skepticism throughout the audit. I also:

- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls.
- obtain an understanding of internal controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control.
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.
- conclude on the appropriateness of Management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the entity's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the entity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

I communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

I also provide those charged with governance with a statement that I have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on my independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, I determine those matters that were most significant in the audit of the financial statements of the current period and are therefore the key audit matters. I describe these matters in my auditor's report unless law or regulation precludes public disclosure about the matter or, when, in extremely rare circumstances, I determine that a matter should not be communicated in my report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Pulane D. Letebele
 AUDITOR GENERAL
 Dated: 18 November 2022

SOUTHERN AFRICAN CUSTOMS UNION

Annual Financial Statements for the year ended 31 March 2022

Statement of Financial Position

Figures in R	Notes	2022	2021
Assets			
Non-current assets			
Property, plant and equipment	3	87,297,917	89,879,475
Intangible assets	4	1,951,843	2,805,056
Total non-current assets		89,249,760	92,684,531
Current assets			
Trade and other receivables	5	3,123,813	4,923,540
Cash and cash equivalents	6	29,325,461	40,913,281
Total current assets		32,449,274	45,836,821
Total assets		121,699,034	138,521,352
Accumulated Funds and liabilities Accumulated Funds			
Deficit for the year		(20,646,290)	(7,250,165)
Revaluation reserve	8	43,553,842	43,553,842
Accumulated surplus	8	86,024,500	93,274,665
Total accumulated funds		108,932,052	129,578,342
Liabilities Current liabilities			
Provisions	9	5,585,626	5,390,992
Trade and other payables	10	7,181,356	3,048,152
Bank overdraft	6		503,866
Total current liabilities		12,766,982	8,943,010
Total liabilities		12,766,982	8,943,010
Total accumulated funds and liabilities		121,699,034	138,521,352

SOUTHERN AFRICAN CUSTOMS UNION

Annual Financial Statements for the year ended 31 March 2022

Statement of Comprehensive Income

Figures in R	Notes	2022	2021
Revenue	11	69,753,420	71,360,737
Administrative expenses	12	(1,313,793)	(946,469)
Other expenses	13	(90,511,718)	(79,589,079)
Deficit from operating activities		(22,072,091)	(9,174,811)
Finance income	15	1,367,983	1,926,006
Gain/(loss) on foreign exchange	16	(1,444)	(1,360)
Deficit from continuing operations		(20,705,552)	(7,250,165)
Surplus from discontinued operations	7	59,262	
Deficit for the year		(20,646,290)	(7,250,165)
Deficit for the year attributable to Member States arises from:			
Continuing operations		(20,705,552)	(7,250,165)
Discontinuing operations (Disposal of fixed assets)		59,262	
		(20,646,290)	(7,250,165)

SOUTHERN AFRICAN CUSTOMS UNION

Annual Financial Statements for the year ended 31 March 2022

Statement of Changes in Equity

Figures in R	Revaluation surplus	Accumulated surplus	Deficit for the year	Total
Balance at 1 April 2020	38,836,834	124,709,772	(31,435,107)	132,111,499
Changes in accumulated funds				
Deficit for the year	-	-	(7,250,165)	(7,250,165)
Total comprehensive income			(7,250,165)	(7,250,165)
Revaluations during the year	4,717,008	-	-	4,717,008
Balance at 31 March 2021	43,553,842	124,709,772	(38,685,272)	129,578,342
Balance at 1 April 2021	43,553,842	124,709,772	(38,685,272)	129,578,342
Changes in accumulated funds				
Deficit for the year	-	-	(20,646,290)	(20,646,290)
Total comprehensive income	-	-	(20,646,290)	(20,646,290)
Balance at 31 March 2022	43,553,842	124,709,772	(59,331,562)	108,932,052

SOUTHERN AFRICAN CUSTOMS UNION

Annual Financial Statements for the year ended 31 March 2022

Statement of Cash Flows

Figures in R	Notes	2022	2021
Net cash flows used in operations	20	(8,291,609)	(2,646,252)
Gain/(loss) on foreign exchange		(1,444)	(1,360)
Interest received		1,367,983	1,926,006
Net cash flows used in operating activities		(6,925,070)	(721,606)
Cash flows used in investing activities			
Disposal of property, plant and equipment (canying cost)		300,238	-
Purchase of property, plant and equipment		(4,409,722)	(1,646,399)
Purchase of intangible assets		(49,400)	(92,477)
Development of intangible assets			(782,786)
Cash flows used in investing activities		(4,158,884)	(2,521,662)
Net decrease in cash and cash equivalents		(11,083,954)	(3,243,268)
Cash and cash equivalents at beginning of the year		40,409,415	43,652,683
Cash and cash equivalents at end of the year	6	29,325,461	40,409,415

SOUTHERN AFRICAN CUSTOMS UNION

Annual Financial Statements for the year ended 31 March 2022

Notes to the Financial Statements

Figures in R

	2022	2021
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1. General information

The Southern African Customs Union Secretariat ('the organisation') has been established according to the SACU Agreement, 2002 and is responsible for the day-to-day administration of SACU.

The organisation is incorporated in line with the Headquarters Agreement. The address of its registered office is ERF853 I (A portion of ERF 182), Corner Julius K Nyerere and Feld Street, Windhoek, Namibia.

2. Basis of preparation and summary of significant accounting policies

The financial statements of the organisation have been prepared in accordance with the International Financial Reporting Standard for Small and Medium-sized Entities (IFRS) and the organisation's Policies and Guidelines. The financial statements have been prepared under the historical cost convention, as modified by the revaluation of certain property, plant and equipment, and derivative financial instruments at fair value. They are presented in South African Rand.

The preparation of financial statements, in conformity with IFRS for Small and Medium-sized Entities, requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the organisation's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed in note 3.

The principal accounting policies applied in the preparation of these financial statements are set out in the notes to the financial statements. These policies have been consistently applied to all the years presented, unless otherwise stated.

3. Property, plant and equipment

3.1 Accounting policies

Property, plant and equipment is stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended.

The organisation adds to the carrying amount of an item of property, plant and equipment the cost of replacing parts of such an item when that cost is incurred if the replacement part is expected to provide incremental future benefits to the organisation. The carrying amount of the replaced part is derecognised. All other repairs and maintenance are charged to surplus or deficit during the period in which they are incurred.

Land is not depreciated. Depreciation on other assets is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method. The estimated useful lives range as follows:

Asset class	Measurement base	Useful life / depreciation rate
Land	revaluation model	indefinite
Buildings	revaluation model	20 years
Motor vehicles	cost model	5 years
Office furniture and fittings	cost model	6 years
Household furniture and fittings	cost model	6 years
Office equipment	cost model	5 years
Computer equipment - servers or infrastructure items	cost model	5 years
Computer equipment - laptop computers and mobile items	cost model	3 years

SOUTHERN AFRICAN CUSTOMS UNION

Annual Financial Statements for the year ended 31 March 2022

Notes to the Financial Statements

Figures in R

	2022	2021
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Property, plant and equipment continued...

After initial recognition, the organisation measures certain classes of property, plant and equipment using the Cost Model, and other classes using the Revaluation Model. The measurement base is set out in the table below. Property, plant and equipment measured in accordance with the Cost Model is shown at cost less accumulated depreciation and any accumulated impairment losses. Property, plant and equipment that is measured in accordance with the Revaluation Model is shown at fair value at the date of revaluation less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

Revaluations are made with sufficient regularity to ensure that the carrying amount does not differ materially from that which would be determined using fair value at the end of the reporting period. Increases in the carrying amount are recognised in other comprehensive income and accumulated in equity under the heading of revaluation surplus, except where the increase reverses a revaluation decrease of the same asset previously recognised in surplus or deficit. Decreases in the carrying amount are recognised in surplus or deficit, except where the decrease reverses any credit balance existing in the revaluation surplus in respect of that asset, in which case the decrease is recognised in other comprehensive income and reduces the amount accumulated in equity under the heading of revaluation surplus.

Land is not depreciated. Depreciation on other assets is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method. The estimated useful lives range as well as the measurement base for each class of asset is as follows:

- The assets' residual values, useful lives and depreciation methods are reviewed annually, and adjusted prospectively if appropriate, if there is an indication of significant change since the last reporting date.
- An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.
- Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised within 'other gains/(losses)' in the statement of comprehensive income.

SOUTHERN AFRICAN CUSTOMS UNION

Annual Financial Statements for the year ended 31 March 2022

Notes to the Financial Statements

Figures in R

Property, plant and equipment continued...

3.2 Balances at year end and movements for the year

	Land	Buildings	Motor vehicles	Office furniture and fittings	Household furniture and fittings	Office equipment	Computer equipment	Total
Reconciliation for the year ended 31 March 2022								
Balance at 1 April 2021								
At cost or revaluation	29,856,750	63,787,000	3,035,869	8,088,986	2,060,134	338,833	8,665,567	115,833,139
Accumulated depreciation		(8,263,750)	(1,557,683)	(7,157,547)	(1,692,361)	(298,828)	(6,983,495)	(25,953,664)
Net book value	29,856,750	55,523,250	1,478,186	931,439	367,773	40,005	1,682,072	89,879,475
Movements for the year ended 31 March 2022								
Additions from acquisitions	-	715,632	374,896	14,551	59,954	38,585	3,206,104	4,409,722
Depreciation	-	(5,519,150)	(162,517)	(53,324)	(107,136)	(12,004)	(836,911)	(6,691,042)
Carrying Value on Disposals	-	-	(295,236)	(1,515)	(2,675)	(441)	(371)	(300,238)
Property, plant and equipment at the end of the year	29,856,750	50,719,732	1,395,329	891,151	317,916	66,145	4,050,894	87,297,917
Closing balance at 31 March 2022								
At cost	29,856,750	64,502,633	2,426,645	8,051,738	2,095,351	365,867	11,657,249	118,956,233
Accumulated depreciation		(13,782,901)	(1,031,316)	(7,160,587)	(1,777,435)	(299,722)	(7,606,355)	(31,658,316)
Net book value	29,856,750	50,719,732	1,395,329	891,151	317,916	66,145	4,050,894	87,297,917
Balance at 1 April 2020								
At cost	29,856,750	63,716,511	2,187,444	8,063,353	1,997,954	323,165	8,152,180	114,297,357
Accumulated depreciation		(8,459,917)	(1,501,723)	(6,885,754)	(1,476,667)	(290,923)	(6,446,067)	(25,061,051)
Net book value	29,856,750	55,256,594	685,721	1,177,599	521,287	32,242	1,706,113	89,236,306
Movements for the year ended 31 March 2021								
Additions from acquisitions	110,618	70,489	848,425	25,633	62,180	15,667	513,386	1,646,398
Depreciation	-	(4,631,459)	(55,960)	(271,793)	(215,694)	(7,904)	(537,427)	(5,720,237)
Revaluation increase (decrease)	(110,618)	4,827,626	-	-	-	-	-	4,717,008
Property, plant and equipment at the end of the year	29,856,750	55,523,250	1,478,186	931,439	367,773	40,005	1,682,072	89,879,475
Closing balance at 31 March 2021								
At cost or revaluation	29,856,750	63,787,000	3,035,869	8,088,986	2,060,134	338,833	8,665,567	115,833,139
Accumulated depreciation	-	(8,263,750)	(1,557,683)	(7,157,547)	(1,692,361)	(298,828)	(6,983,495)	(25,953,664)
Net book value	29,856,750	55,523,250	1,478,186	931,439	367,773	40,005	1,682,072	89,879,475

SOUTHERN AFRICAN CUSTOMS UNION

Annual Financial Statements for the year ended 31 March 2022

Notes to the Financial Statements

Figures in R	2022	2021
<i>Property, plant and equipment continued...</i>		
3.3 Additional disclosures		
Assets no longer in use but yet to be disposed	50,174	48,626

The Secretariat held assets that were obsolete and no longer in use. The historical cost of these assets amount to R3,415,466 with a carrying value of R50,174 (2021 - R48,626). At the end of the financial year, these assets still appear on the SACU Secretariat's fixed asset register and have not been disposed. As a result, the non-current assets valuation has been impacted by R50,174. This amount will self-rectify once the assets are removed from the fixed assets register in the subsequent period.

4. Intangible assets

4.1 Accounting policies

Trademarks, licences and customer related intangible assets

Separately acquired licences are shown at historical cost. Licences (including software) and related intangible assets acquired are recognised at fair value at the acquisition date. Licences and related intangible assets have a finite useful life and are carried at cost less accumulated amortisation and any accumulated impairment losses. Amortisation is calculated using the straight-line method to allocate the cost of licences and related intangible assets over their estimated useful lives, as follows:

Asset class	Useful life / amortisation rate
Computer software	3 years
Intangible assets under development	determined upon recognition

Acquired computer software licences are capitalised on the basis of the costs incurred to acquire and bring to use the specific software. These costs are amortised over their estimated useful lives of three years.

4.2 Reconciliation of changes in intangible assets

	Computer software	Intangible assets under development	Total
Reconciliation for the year ended 31 March 2022			
Balance at 1 April 2021			
At cost	4,655,619	422,643	5,078,262
Accumulated amortisation	(2,273,206)	-	(2,273,206)
Net book value	2,382,413	422,643	2,805,056
Movements for the year ended 31 March 2022			
Other acquisitions	49,400	2,118,980	2,168,380
Amortisation	(902,214)	-	(902,214)
Increase (decrease) through transfers from Capital Work in Progress (CWIP)	422,244	(2,541,623)	(2,119,379)
Intangible assets at the end of the year	1,951,843	0	1,951,843

SOUTHERN AFRICAN CUSTOMS UNION

Annual Financial Statements for the year ended 31 March 2022

Notes to the Financial Statements

Figures in R	2022	2021	
<i>Intangible assets continued...</i>			
Closing balance at 31 March 2022			
At cost	5,127,262	-	5,127,262
Accumulated amortisation	(3,175,419)	-	(3,175,419)
Net book value	1,951,843	-	1,951,843
Reconciliation for the year ended 31 March 2021 Balance at 1 April 2020			
At cost	2,565,227	1,637,770	4,202,997
Accumulated amortisation	(1,928,530)	-	(1,928,530)
Net book value	636,697	1,637,770	2,274,467
Movements for the year ended 31 March 2021			
Other acquisitions	92,479	-	92,479
Amortisation	(344,675)	-	(344,675)
Increase (decrease) through transfers	1,997,912	(1,215,127)	782,785
Intangible assets at the end of the year	2,382,413	422,643	2,805,056
Closing balance at 31 March 2021			
At cost	4,655,619	422,643	5,078,262
Accumulated amortisation	(2,273,206)	-	(2,273,206)
Net book value	2,382,413	422,643	2,805,056

5. Trade and other receivables

5.1 Accounting policies

Trade receivables are recognised initially at the transaction price. They are subsequently measured at amortised cost using the effective interest method, less provision for impairment. A provision for impairment of trade receivables is established when there is objective evidence that the organisation will not be able to collect all amounts due according to the original terms of the receivables.

Trade and other receivables are classified as debt instruments and loan commitments at amortised cost.

5.3 Trade and other receivables comprise:

Trade receivables	2,275,443	4,420,056
Prepaid expenses	847,011	500,169
Employee costs receivable	1,359	3,315
Total trade and other receivables	3,123,813	4,923,540

SOUTHERN AFRICAN CUSTOMS UNION

Annual Financial Statements for the year ended 31 March 2022

Notes to the Financial Statements

Figures in R	2022	2021
6. Cash and cash equivalents		
6.1 Accounting policies		
Cash and cash equivalents includes cash on hand, demand deposits and other short-term highly liquid investments with original maturities of six months or less. Bank overdrafts are shown in current liabilities on the statement of financial position.		
6.2 Cash and cash equivalents comprise:		
Cash		
Cash on hand	468	1,637
Balances with banks	1,845,695	621,885
Total cash	1,846,163	623,522
Cash equivalents		
Short term investments	27,479,298	40,289,759
Total cash equivalents	27,479,298	40,289,759
Total cash and cash equivalents included in current assets	29,325,461	40,913,281
Bank overdrafts	-	(503,866)
Total overdrawn cash and cash equivalents included in current liabilities	-	(503,866)
Net cash and cash equivalents	29,325,461	40,409,415
6.3 Detail of cash and cash equivalent balances		
Bank balances		
Standard Bank Current Account	24,910	-
Standard Bank Call Account	1,099,846	621,885
Bank Windhoek Current Account	720,939	-
Total	1,845,695	621,885
Short term investments		
Short term investment classified as cash	27,479,298	40,289,759

SOUTHERN AFRICAN CUSTOMS UNION

Annual Financial Statements for the year ended 31 March 2022

Notes to the Financial Statements

Figures in R	2022	2021
7. Discontinued operations		
Gain (loss) from measurement or disposal of discontinued operations are as follows:		
Gain or loss recognised on the disposal of assets	59,262	-
	59,262	-
Amount per statement of comprehensive income	59,262	-
Attributable to the Secretariat	59,262	-
	59,262	-
8. Reserves		
Nature and purpose of reserves		
The Revaluation Reserve relates to the revaluation of the SACU Secretariat Land and Buildings assets to reflect them at fair value in the financial statements for the year. As per policy, Land and Buildings are revalued every 2 years.		
Opening Balance	43,553,842	38,836,834
Revaluations during the year	-	4,717,008
	43,553,842	43,553,842
The Accumulated surplus is the aggregate movement in deficit or surplus for the year and movement in revaluation reserve.		
Opening Balance of Accumulated surplus	93,274,665	124,709,772
Retained deficit for prior year	(7,250,165)	(31,435,107)
Balance of Accumulated surplus before current year deficit	86,024,496	93,274,665
9. Provisions		
9.1 Accounting policies		
Provisions are recognised when the organisation has a present legal or constructive obligation as a result of past events; it is probable that a transfer of economic benefits will be required to settle the obligation; and the amount can be reliably estimated. Provisions comprise employee termination payments, leave pay and bonus pay obligations. Provisions are not recognised for future operating losses.		
Provisions are measured at the present value of the amount expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to passage of time is recognised as interest expense.		

SOUTHERN AFRICAN CUSTOMS UNION

Annual Financial Statements for the year ended 31 March 2022

Notes to the Financial Statements

Figures in R	2022	2021
<i>Provisions continued...</i>		
9.2 Provisions comprise:		
Provisions for leave pay	2,654,682	2,506,072
Provisions for performance bonus	2,930,944	2,884,920
Total provisions	5,585,626	5,390,992
Provisions for leave pay	2,654,682	2,506,072
Provisions for performance bonus	2,930,944	2,884,920
Current portion	5,585,626	5,390,992
Total provisions	5,585,626	5,390,992

9.3 Provisions for employee benefits

	Leave pay provision	Total
Balance at 1 April 2021	2,506,072	2,506,072
Leave paid out during the year	(610,787)	(610,787)
Increase in existing provision	759,397	759,397
Total changes	148,610	148,610
Balance at 31 March 2022	2,654,682	2,654,682

9.4 Details of employee benefit provisions

Leave pay provision

The leave obligations cover the Secretariat's liabilities for annual leave which are classified as either other long-term benefits or short-term benefits, as explained under Employee benefits.

The current portion of this liability includes all of the accrued annual leave. The entire amount of the provision of R2,654,682 (2021 - R2,506,072) is presented as current, since the organisation does not have an unconditional right to defer settlement for any of these obligations. However, based on past experience, the organisation does not expect all employees to take the full amount of accrued leave or require payment within the next 12 months. The following amounts reflect leave that is not expected to be taken or paid within the next 12 months R1,324,415 (2021 - R486,296).

SOUTHERN AFRICAN CUSTOMS UNION

Annual Financial Statements for the year ended 31 March 2022

Notes to the Financial Statements

Figures in R	2022	2021
<i>Provisions continued...</i>		
9.5 Provisions for performance bonus		
	Provision	Total
Balance at 1 April 2021	2,884,920	2,884,920
New provisions	2,930,945	2,930,945
Bonus paid out	(3,296,075)	(3,296,075)
2020/21 Under provisions recognised	411,154	411,154
Total changes	46,024	46,024
Balance at 31 March 2022	2,930,944	2,930,944

10. Trade and other payables

10.1 Accounting policies

Trade payables are recognised initially at the transaction price and subsequently measured at amortised cost using the effective interest method.

10.2 Trade and other payables comprise:

Trade creditors	7,165,015	3,045,428
Bank liabilities	16,341	2,724
Total trade and other payables	7,181,356	3,048,152

10.3 Employee benefits

The SACU Secretariat participates in a provident fund for support staff. The fund is generally funded through payments to a trustee administered fund, determined by periodic actuarial calculations. The SACU Secretariat has a defined contribution plan. A defined contribution plan is a pension plan under which the SACU Secretariat pays fixed contributions into a separate entity. The SACU Secretariat has no legal or constructive obligations to pay further contributions if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods.

For defined contribution plans, the SACU Secretariat pays contributions to privately administered pension insurance plans on a contractual basis. The SACU Secretariat has no further payment obligations once the contributions have been paid. The contributions are recognised as an employee benefit expense when they are due.

10.4 Items included in trade and other payables not classified as financial liabilities

Included in the payables is an insurance claim received of R8,890 relating to a damaged Household appliance. The item has been handed to the insurer and disposal from the fixed asset register is awaiting the Procurement Committee approval. This payable will then be classified as proceeds on disposal of fixed assets.

SOUTHERN AFRICAN CUSTOMS UNION

Annual Financial Statements for the year ended 31 March 2022

Notes to the Financial Statements

Figures in R	2022	2021
<i>Trade and other payables continued...</i>		
Trade payables	6,160,589	2,552,826
Staff payables	37,949	30,457
Accruals	682,520	462,115
Retention payable	275,067	-
Insurance claims	8,890	-
Total liabilities included in trade and other payables	7,165,015	3,045,398
Total trade and other payables excluding non-financial liabilities included in trade and other payables	16,341	2,754
Total trade and other payables	7,181,356	3,048,152

10.5 Analysis of the periods and the amounts due

Creditor	Current	30 days	60 days	90 days	120 days	150+ days	Total
31 March 2022							
Trade payables	3,973,732	2,164,918	3,393	3,393	4,968	10,178	6,160,581
Staff payables	29,584	6,085	456	456	456	912	37,949
Accruals	642,066	30,663			2,627	7,157	682,513
Retention payable	275,067						275,067
Insurance claims	8,890						8,890
Credit card Liability	16,356						16,356
	4,945,696	2,201,666	3,849	3,849	8,050	18,247	7,181,356
31 March 2021							
Trade payables	2,251,622	202,051	99,153				2,552,826
Staff payables	18,003			12,454			30,457
Accruals	416,410	2,850	3,875	17,277	7,888	13,815	462,115
Credit card liability	2,754						2,754
	2,688,789	204,901	103,028	29,731	7,888	13,815	3,048,152

SOUTHERN AFRICAN CUSTOMS UNION

Annual Financial Statements for the year ended 31 March 2022

Notes to the Financial Statements

Figures in R	2022	2021
11. Revenue		
11.1 Accounting policies		
Revenue from the Common Revenue Pool is measured at the fair value of the consideration received or receivable. Revenue from the Common Revenue Pool is recognised when:		
<ul style="list-style-type: none"> the amount of revenue can be measured reliably; and it is probable that the economic benefits associated with the transaction will flow to the entity; and the costs incurred or to be incurred in respect of the transaction can be measured reliably. 		
Interest and investments income on short term investments is presented as finance income when it is earned from financial assets that are held for cash management purposes. Any other interest income is included in other income.		
11.2 Revenue comprises:		
Common Revenue Pool	69,753,420	71,360,737
12. Administrative expenses		
Administrative expenses comprise:		
Auditors fees	218,327	-
Bank charges	59,432	50,455
Communication costs	758,988	596,266
Subscriptions and reference materials	277,046	299,748
Total administrative expenses	1,313,793	946,469

SOUTHERN AFRICAN CUSTOMS UNION

Annual Financial Statements for the year ended 31 March 2022

Notes to the Financial Statements

Figures in R	2022	2021
13. Other expenses		
Other expenses comprise:		
Advertising	15,120	359,223
Amortisation	902,214	344,675
Depreciation	6,691,042	5,720,237
Electricity, water and refuse	671,897	721,669
Employee costs	65,180,646	62,151,472
Hospitality and staff wellness	147,873	151,668
Hosting and convening of Member States technical meetings	9,720	271,244
Household expenses	440,139	392,477
Insurance	254,162	231,334
IT services	1,425,488	1,389,907
Media and Public relations	617,518	659,879
Motor vehicle expense	70,395	92,697
Office Supplies	611,619	648,533
Professional fees	9,424,737	2,249,953
Recruitment costs	73,422	360,157
Relocation costs	17,200	-
Rent for disaster recovery site	1,935,218	1,574,363
Repairs and maintenance	881,634	1,095,535
Security	926,630	919,547
Training	200,525	251,699
Travel, accommodation and subsistence	14,519	2,810
Total other expenses	90,511,718	79,589,079

14. Foreign exchange gains and losses

Accounting policies

Functional and presentation currencies

The financial statements have been presented in South African Rand. The functional currency of the organisation is Namibian Dollar. The presentation currency has been selected because it is the currency of the primary economic environment in which the SACU Secretariat operates.

Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in surplus or deficit.

Foreign exchange gains and losses that relate to borrowings and cash and cash equivalents are presented in surplus or deficit within 'finance income or costs'. All other foreign exchange gains and losses are presented in surplus or deficit within 'other (losses)/gains - net'.

SOUTHERN AFRICAN CUSTOMS UNION

Annual Financial Statements for the year ended 31 March 2022

Notes to the Financial Statements

Figures in R	2022	2021
15. Finance income		
Finance income comprises:		
Interest received	664,258	153,794
Investment income	703,725	1,772,212
Total finance income	1,367,983	1,926,006
16. Finance costs		
16.1 Accounting policies		
All borrowing costs are recognised in surplus or deficit in the period in which they are incurred.		
16.2 Finance costs included in surplus or deficit:		
Foreign exchange losses	1,444	1,360
17. Related parties		
Compensation paid to key management personnel		
Executive Committee Compensation	18,709,679	17,816,041
Total compensation paid to key management personnel	18,709,679	17,816,041
18. Events after the reporting date		
The SACU Secretariat is undertaking the development of a Strategic Plan which will inform a review of the organisational structure. There is no financial effect on the current period, as the work has not been completed yet.		
19. Insurance policies		
Insurance policy details		
The SACU Secretariat holds the following insurance policies with expiry dates as set out below:		
Underwriter	Description of cover	Cover details
King Price Insurance	Short term insurance	
Insurer 1		
Policy number		KP472283
Period of cover		36 months
Policy expiry date		31-Mar-24
Payment basis		Quarterly
Sum insured		136,073,381

SOUTHERN AFRICAN CUSTOMS UNION

Annual Financial Statements for the year ended 31 March 2022

Notes to the Financial Statements

Figures in R	2022	2021
Cash flows from operating activities continued...		
Change in operating assets and liabilities:		
Adjustments for decrease/ (increase) in trade accounts receivable	2,143,254	(1,924,077)
Adjustments for increase in other operating receivables	(343,527)	(181,882)
Adjustments for increase in trade accounts payable	4,119,595	1,428,273
Adjustments for increase/ (decrease) in other operating payables	14,008	(59,933)
Adjustments for provisions	194,634	1,201,266
Net cash flows from operations	(8,291,609)	(2,646,252)

21. Commitments

Tender commitments

The SACU Secretariat enters into various contracts and agreements with various suppliers for the provision of goods and services. At year end, the SACU Secretariat had the following commitments in respect of contracts and agreements signed before the financial year end, for which the goods and services had not been received:

Commitments for contracts beyond 31 March 2022

Cleaning services	-	533,317
Disaster Recovery Plan	2,171,129	3,459,063
Network support	293,304	245,228
Upgrade of the Trade Database Application	100,890	-
Security services	378,648	908,754
SharePoint support	149,532	117,325
Extranet technical support	156,480	199,100
Supply and Installation of Video Conferencing Equipment for the Ministries of Finance	-	2,750,674
Supply and delivery of replacement laptops	185,451	-
Develop a SACU Strategic Plan and Organisational Structure	427,738	-
Internal Audit Quality review	-	76,000
Review of Risk Management Policy and Procedures	115,914	-
Implementation of Fraud and Corruption prevention	37,740	-
Production of the SACU 2021 Annual Report	102,559	-
Insurance Services	189,018	294,402
Records Archival Services	-	37,598
	4,308,402	8,621,461

Rollover

The SACU Secretariat undertook activities related to procurement of goods and services from various suppliers which were not completed by the end of the financial year. Approval was granted to rollover these activities to the next financial year as a commitment was made to the suppliers. Most of the activities are in the process of being completed by 31 May 2022.

SOUTHERN AFRICAN CUSTOMS UNION

Annual Financial Statements for the year ended 31 March 2022

Notes to the Financial Statements

Figures in R	2022	2021
Commitments continued...		
Production of the SACU 2021 Annual Report	97,000	-
Supply and delivery of replacement laptops	185,451	-
Review of Risk Management Policy and Procedures	115,914	-
Develop a SACU Strategic Plan and Organisational Structure	376,238	-
Wellness day	72,421	-
Supply and Installation of Video Conferencing Equipment for the Ministries of Finance	-	2,750,674
Supply and Delivery of Sedans	-	374,891
Installation of Access Control Devices	-	73,190
Audit of the SACU ICT Systems	-	249,099
Print copies of the SACUM-UK EPA (English and Portuguese Text)	-	175,990
	847,023	3,623,844

22. IFRS-16 Leases departure

The SACU Secretariat has not adopted IFRS-16 for the Provision of a Managed Disaster Recovery Solution for the SACU Secretariat lease agreement. The reason for the departure is that if IFRS-16 is applied, it will not reflect a true and fair presentation of the Secretariat's annual financial statements and may mislead stakeholders and users of the annual financial statements. The financial implications are:

- the new interest expense may lead to the users believing that the Secretariat has some loan facilities with financial institutions. This is inconsistent with Section 5.4.1 of the Secretariat's Financial Policy and Guidelines, which only allows the Secretariat to obtain financing through bank overdrafts with the approval of the Council;
- depreciation expense will be increased. This will distort the Secretariat's annual budgeting submission and funding request. The depreciation expense is a non-cash expense and therefore is not funded. So the actual rental expense is not correctly allocated a budget provision; and
- fixed assets will be inflated. This may impact our insurance cover and accordingly the related expenditure. The insurance policy and cover are based on valuation of the Secretariat's fixed asset base. This may lead to the Secretariat overpaying for a service.

This departure is in accordance with IAS-1 which acknowledges that "management may conclude that compliance with an IFRS requirement would be so misleading that it would conflict with the objective of financial statements set out in the Framework. In such a case, the entity is required to depart from the IFRS requirement, with detailed disclosure of the nature, reasons, and impact of the departure".

Impact of the non-adoption	2021	2022	2023	2024
Retained Earnings	23,938	8,154	(24,054)	(8,037)
Right of Use Asset (SFP)	3,312,267	3,312,267	368,030	-
Lease Liability (SFP)	3,336,205	1,872,239	376,067	-

SOUTHERN AFRICAN CUSTOMS UNION

Annual Financial Statements for the year ended 31 March 2022

Notes to the Financial Statements

Figures in R	Notes	2022	2021
Revenue	11		
Common Revenue Pool		69,753,420	71,360,737
Total revenue		69,753,420	71,360,737
Administrative expenses	12		
Auditors fees		(218,327)	-
Bank charges		(59,432)	(50,455)
Communication costs		(758,988)	(596,266)
Subscriptions and reference materials		(277,046)	(299,748)
Total administrative expenses		(1,313,793)	(946,469)
Other expenses	13		
Advertising		(15,120)	(359,223)
Amortisation - intangible assets		(902,214)	(344,675)
Depreciation - property, plant and equipment		(6,691,042)	(5,720,237)
Electricity, water and refuse		(671,897)	(721,669)
Employee costs - salaries		(65,180,646)	(62,151,472)
Hospitality and staff wellness		(147,873)	(151,668)
Hosting and convening of Member States technical meetings		(9,720)	(271,244)
Household expenses		(440,139)	(392,477)
Insurance		(254,162)	(231,334)
IT services		(1,425,488)	(1,389,907)
Media and Public relations		(617,518)	(659,879)
Motor vehicle expense		(70,395)	(92,697)
Office Supplies		(611,619)	(648,533)
Professional fees		(9,424,737)	(2,249,953)
Recruitment costs		(73,422)	(360,157)
Relocation costs		(17,200)	-
Rent for disaster recovery site		(1,935,218)	(1,574,363)
Repairs and maintenance		(881,634)	(1,095,535)
Security		(926,630)	(919,547)
Training		(200,525)	(251,699)
Travel, accommodation and subsistence		(14,519)	(2,810)
Total other expenses		(90,511,718)	(79,589,079)
Deficit from operating activities		(22,072,091)	(9,174,811)

SOUTHERN AFRICAN CUSTOMS UNION

Annual Financial Statements for the year ended 31 March 2022

Notes to the Financial Statements

Figures in R	Notes	2022	2021
Finance income	15		
Interest received		664,258	153,794
Investment income		703,725	1,772,212
Total finance income		1,367,983	1,926,006
Finance costs	16		
Foreign exchange losses		(1,444)	(1,360)
Total finance costs		(1,444)	(1,360)
Deficit from continuing operations		(20,705,552)	(7,250,165)
Discontinued operations			
Gain or loss recognised on the disposal		59,262	-
Surplus from discontinued operations		59,262	-
Deficit for the year		(20,646,290)	(7,250,165)

/ LIST OF ABBREVIATIONS

AEOs	Authorised Economic Operators	M	Maloti (Lesotho Currency)
AEs	Advanced Economies	MERCOSUR	Common Market for the South
AfCFTA	African Continental Free Trade Area	MTBPS	Medium-Term Budget Policy Statement
BELN	Botswana, Eswatini, Lesotho and Namibia	MTEF	Medium Term Expenditure Framework
CCA	Common Customs Area	N\$	Namibian Dollar (Namibian Currency)
CET	Common External Tariff	P (BWA)	Pula (Botswana Currency)
CGE	Computable General Equilibrium Model	PTA	Preferential Trade Agreement
CMP	Customs Modernisation Programme	R (ZAR)	Rand (South African Currency)
COMESA	Common Market for Eastern and Southern Africa	RoO	Rules of Origin
COVID-19	Coronavirus disease	SACU	Southern African Customs Union
CRP	Common Revenue Pool	SACUM	SACU-Mozambique
CSI	Corporate Social Investment	SADC	Southern African Development Community
E	Emalangi (Eswatini Currency)	SPS	Sanitary and Phytosanitary
EAC	East African Community	SPT	SADC Protocol on Trade
EDRMS	Records and Document Management System	SSA	Sub-Saharan Africa
EFTA	European Free Trade Association	STOs	Senior Trade Officials
EMDEs	Emerging Markets and Developing Economies	TBT	Technical Barriers to Trade
EPA	Economic Partnership Agreement	TDC	Trade and Development Committee
ESE	Export Scoping Engine	TFTA	Tripartite Free Trade Area
EU	European Union	Tralac	Trade Law Centre
FAC	Finance and Audit Committee	TSD	Trade and Sustainable Development
FY	Financial Year	UCR	Unique Consignment Reference
GDP	Gross Domestic Product	UK	United Kingdom
HS	Harmonized Commodity Description and Coding System	UN/ECE	United Nations / Economic Commission for Europe
ICT	Information Communication Technology	UNCTAD	United Nations Conference on Trade and Development
IMF	International Monetary Fund	UNDP	United Nations Development Programme
ITC	International Trade Centre	UNECA	United Nations Economic Commission for Africa
JAC	Joint Administration Committee	WCO	World Customs Organisation
		WEO	World Economic Outlook

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Table 1: Member States' Revenue Shares (Billion Rand) for 2020/21 and 2021/22)

Table 2: INTRA-SACU Imports Statistics (R Millions)

/ LIST OF FIGURES

Figure 1: World and Regional Economic Growth Rates (annual % change)

ANNEX 4

LIST OF ABBREVIATIONS



