

**PRESS STATEMENT FOR THE EXECUTIVE SECRETARY ON THE OCCASION OF THE  
9<sup>TH</sup> EXTRA ORDINARY SUMMIT OF THE EAST AFRICAN COMMUNITY (EAC)**

**19 APRIL 2011, DAR ES SALAAM, TANZANIA**

The Secretariat of the Southern African Customs Union (SACU) presents its compliments to the East African Community (EAC) on the hosting of a successful 9th Extraordinary Summit of Heads of State on the 19th of April 2011 in Dar Es Salaam, Tanzania. SACU recognises the important role that the EAC has played and continues to play in promoting economic integration in Africa in line with the Abuja Treaty.

### **History of SACU**

The Southern African Customs Union consists of five Member States; Botswana, Lesotho, Namibia, South Africa and Swaziland. Four SACU Member States are also in a monetary integration arrangement through the Common Monetary Area (CMA). With a combined population of over 55 million people and a combined GDP in excess of US\$ 200 billion.

The history of SACU dates back to 1910, making it the world's oldest Customs Union. The 2002 SACU Agreement, which was negotiated to take into account regional political and global economic developments introduced a number of new provisions, which did not exist in the previous arrangement and transformed the Customs Union into a new organisation with a strong emphasis on common institutions and common policies, which are based on principles of effectiveness, transparency and democracy in decision-making. An important difference between the 2002 Agreement and the previous 1969 Agreement, is that it provides for joint-responsibility over decisions affecting tariff settings, the Common Revenue Pool and the overall direction of SACU. The 2002 Agreement provides for the establishment of institutions to reflect the joint-decision making responsibility and a democratic system of governance.

## **Regional Integration Developments in SACU**

On 22 April 2010, an inaugural SACU Summit of Heads of State and Government to launch the SACU centenary celebrations was held in Windhoek, Namibia. Heads of State and Government adopted new Vision for SACU, this Vision emphasises the need *“to be an economic community with equitable and sustainable development, dedicated to the welfare of its people for a common future”*. The Summit also adopted a new work programme to move the Union forward and agreed to the institutionalising of the SACU Summit as the apex SACU institution. At a recent Summit of Heads of State and Government held on 25 March 2010 in Pretoria, South Africa, the SACU Summit endorsed five priority areas in SACU's work programme, focusing on: (a) Regional Industrial Development Policy; (b) Review of the Revenue Sharing Arrangement; (c) Trade Facilitation; (d) Development of SACU Institutions; and (e) Unified Engagement in Trade Negotiations. The Summit agreed that regional industrialization shall be an overarching objective in the SACU work programme to promote equitable and sustainable development in the region.

## **Similarities between SACU and the EAC**

In order for SACU to achieve its Vision, we recognise the importance of actively engaging other economic communities to share experiences and lessons in order to deepen integration and extend markets in line with the objectives of the Abuja Treaty. SACU and the EAC share many similarities. Like the EAC, SACU consists of five Member States. SACU also seeks to promote integration amongst Member States who are at different levels of economic development. SACU is also a single customs territory and has a common external tariff, a matter that the EAC is currently pursuing. Goods grown, produced or manufactured in the Common Customs Area are traded freely among the Member States, free of customs duties and quantitative restrictions. All SACU Member States are Members of SADC, with one Member State also being a member of COMESA.

SACU therefore has an opportunity to collaborate with and learn from the EAC as we seek to develop and refine the legal and institutional architecture that will allow us to achieve our vision. SACU experiences as a Customs Union also provide

valuable lessons for other regional communities seeking to establish or consolidate their customs unions, like the EAC.

### **SACU's Role in Tripartite FTA**

SACU therefore welcomes the tripartite initiative to establish a Free Trade Area among the East African Community (EAC), the Southern African Development Community (SADC) and the Common Market for Eastern and Southern Africa (COMESA) as this will extend markets and promote integration. Given our vision and the priority work programme adopted by the SACU Summit this initiative has a direct bearing on SACU Member States. However, as a functioning Customs Union with a common external tariff consideration needs to be given to the policy and technical implications of the FTA on SACU. Recognising this, the SACU Heads of State and Government have decided that SACU should advance a coordinated position in the negotiations toward this Free Trade Area. We therefore welcome the opportunity to engage with the tripartite process as we move toward the joint ambition of promoting deeper integration across the continent.

### **Farewell to the Outgoing Secretary General of the EAC**

In conclusion, let me take this opportunity to also express by sincere gratitude and congratulations to Ambassador Jumua Mwapachu for the excellent work he has done to promote integration in the EAC and indeed on the African continent, as well as for being a friend and colleague of SACU. As he departs we know he will be sorely missed and we wish him well in his future endeavours. Let me also take this opportunity to congratulate and welcome the new Secretary General of the EAC, Dr. Richard Sezibera. I wish you all the best and look forward to continued cooperation and a fruitful working relationship for the mutual benefit of SACU and the EAC.