

DRAFT

***Opening remarks by the Chairperson of Council,
Hon. O. K. Matambo***

***Minister of Finance and
Development Planning, Botswana***



30 AUGUST 2012

WINDHOEK, NAMIBIA

Honourable Ministers,
Madam Executive Secretary,
Commission Members,
Ladies and Gentlemen,

It is a great honour and privilege for me to welcome you all to this SACU Ministerial Retreat. On behalf of all of us, let me take this opportunity to thank the Government of Namibia for the warm hospitality and the excellent arrangements made for this Retreat.

Honourable Ministers,

I am aware that this is not an occasion to pay tribute to the outgoing Chairperson of Council, Hon. Majosi Sithole. I believe that this opportunity will come on the occasion of the 27th Council meeting in Swaziland.

However, I would like to thank him for the enormous work he has put in place in preparation for this Retreat.

I would also like to recognise amongst our midst the new Minister of Finance from Lesotho, Hon. Dr. Leketekete Ketso and the Deputy Minister for Trade, Industry, Cooperatives and Marketing, Hon. Sekhulum Paul Ntsoaole. As you know, Dr. Ketso is not new to the SACU Council but we recognise his new role as Minister of Finance. We look forward to your contributions to the work of the Organisation in your new role.

Honourable Ministers will recall that the first SACU Ministerial Retreat took place in Kasane, Botswana on 29 August to 1 September 2008. That Retreat was convened in response to the challenges facing SACU at the time, including the internal challenges relating to the pace of implementation of the SACU Agreement, the challenges arising out of the negotiations of the SADC-EPA Negotiations and the need to position SACU

in relation to the establishment of the SADC Customs Union. Our response was to recommit to the Objectives of the Organisation and out of that we also identified the need to define a strategy for positioning SACU going forward.

Following that, in April 2010, SACU convened the first Summit of Heads of State and Government which acknowledged the challenges facing SACU and decided that SACU should remain a viable institution and should be transformed into a vehicle for regional integration capable of promoting equitable development. In this regard, the Heads of State and Government adopted a Vision and Mission for SACU and decided to translate it into a strategic work programme. Finally, the Heads of State and Government identified a number of challenges facing SACU and directed the Ministers to develop strategies for addressing them.

Consequently, in March 2011, the SACU Heads of State and Government endorsed five priority areas to

underpin the SACU Work Programme. Task Teams, at the level of Commission, have been set up to examine particular issues and report back to Council on a periodic basis. This work is ongoing and reports are provided during Council meetings.

Consideration of the Reports that are presented to Council on the work of the Task Teams reveals that there are some implementation challenges which have necessitated that Ministers convene this Retreat to seek ways to expedite implementation and advance SACU's integration efforts.

Honourable Ministers,

In planning for this Retreat, Council decided on three main themes, within which to approach their discussions, namely:

- a) **Using integration as a tool for equitable and sustainable development in SACU**
- b) **The internal approach to deepening integration in SACU**

c) External positioning of SACU as a building block for integration

As you will see, the first two themes deal with the internal SACU matters which are critical for transforming SACU into a modern Organisation that can assist in achieving the Vision. Indeed some of these issues have been the main focus of SACU meetings in the last few years. Regarding the third theme, this is of critical importance given the developments at the regional and continental level.

I hope that Ministers will agree with me that these three themes give us a good platform to take our Agenda on regional integration forward. The themes are broad enough to allow us flexibility in our discussions. At the same time, the background document has been structured to focus our discussions on the critical issues affecting the Organisation at this particular point in time. I am certain that Ministers will take account of the issues raised in the Background

documents but also bring up some of their own experiences to enrich the debate.

Finally, as we begin this Retreat, it is necessary recognize that SACU is not operating in isolation. In this regards, I would like to highlight a few issues relating to the global and continental economic environment, which I believe are important and should be taken into account in our discussions.

- The global economy is facing severe challenges, with the sovereign debt crisis in the Euro-Area, and the slow down in the US economy. As a result, the IMF World Economic Outlook Update, of July 16, 2012 has revised downward the estimates of global growth by between 0.1 and 0.2 percentage points between 2012 and 2013. Consequently, within the region, some of us have had to change our growth forecasts, due to our close connection with the euro area and the US economy.
- The Doha Round of Negotiations is presently at a stalemate, with the Ministerial Conference of

December 2011 having provided no guidance for the ongoing technical work. The consequence of this is delayed benefits from what we had considered to be a development round of negotiations.

- Efforts at the regional and continental level for enhanced integration are continuing. In this respect, the negotiations for a Tripartite FTA between COMESA, SADC and EAC as well as the decision to establish a continental FTA present a glimmer of hope for our region. The challenge is to ensure that this prospect becomes a reality.

The totality of these developments require that we think innovatively about how we position SACU going forward. They require that we put together plans to convert the challenges into opportunities as well as measure for taking advantage of the opportunities. This will require that we expeditiously move beyond plans and begin to implement strategies for ensuring that we remain a viable vehicle for integration and development.

In conclusion, I would like to recognise the enormous work by our Senior Officials and the Secretariat in preparing for this Retreat. Even though we all would have wished the Retreat to have taken place much earlier, I would like to believe that this delay has given Member States ample opportunity to undertake internal preparations. I am therefore looking forward to some innovative inputs on how to take this Organisation forward.

With these remarks, I wish us fruitful deliberations.

I thank you.