

*Opening remarks by the Chairperson of Council, Hon. O.K. Matambo, Minister of Finance and Development Planning, Botswana*



**21 SEPTEMBER 2012**

**EZULWINI, SWAZILAND**

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Honourable Ministers  
Madam Executive Secretary,  
Commission Members  
Members of the media  
Ladies and Gentlemen,

It is a great honour and privilege for me to welcome you all to the 27<sup>th</sup> Meeting of the SACU Council of Ministers. On behalf of all of us, let me take this opportunity to thank the Government of the Kingdom of Swaziland for the warm hospitality and the excellent arrangements made for this meeting.

Let me take this opportunity to again pay tribute to the outgoing Chairperson of Council, Hon. Majozi Sithole, the Minister of Finance of the Kingdom of Swaziland, for having successfully guided the meetings

of Council during this past year. Swaziland assumed the Chairmanship of SACU at a critical period following the launch of the new work programme by Heads of State and Government in March 2011, and worked tirelessly to guide the implementation of this work programme.

For my part, it is my intention to build on the excellent foundation laid by the Minister and as Botswana, we undertake to take forward the good work that you started.

Honourable Ministers,

Let me at this stage, also extend a warm welcome to the Ministers from Lesotho to the 27<sup>th</sup> Council meeting, some of whom are attending the Council meeting for the first time following the recent elections in Lesotho. I recognise Hon. Dr. Leketekete Ketso, the former Minister for Trade and Industry, Cooperatives and Marketing who is now the Minister of Finance. I also recognise Hon. Sekhulumi Paul Ntsoaole the Deputy Minister for Trade and Industry, Cooperatives and Marketing in Lesotho. We look forward to your

contributions to the important discussions and debates in the Council of Ministers.

Honourable Ministers,

This Council meeting is taking place shortly after the successful Strategic Ministerial Retreat that was held on 30<sup>th</sup> and 31<sup>st</sup> August 2012 in Windhoek, Namibia. At the Retreat, we recognised the importance of strengthening our cooperation and deepening integration, particularly in the context of the global uncertainty.

I am happy to note that there are some signs of recovery that are emerging in the global economy. This has been largely led by the new set of policies that have been put in place to avoid the collapse of the Euro-Area, which seem to be gradually yielding results. These policies include the efforts by the European Central Bank to increase purchases of bonds in order to keep struggling governments afloat, and the decision by the US Federal Reserve to scale-up purchases of

large scale assets including mortgage-backed securities and long-term treasury assets in order to stimulate the US economy. We have also noticed that Asia, South America and parts of Africa are playing their role in contributing to the rebound in the global economy. All of these bode well for our economies in Southern Africa and I do hope that these positive developments continue for the rest of the year, and into the next.

The current global developments bear important lessons for the pursuit of fiscal policy in the face of a debt crisis. The important lesson here is to ensure that austerity measures are accompanied by measures to stimulate growth.

Whilst there are signs of economic recovery in the world economy, unemployment still remains a challenge globally as well as in the region. Poor cereal yields globally, emanating from the drought and flooding in some parts of the world, are likely to exert more pressure on the livelihoods of the poor. Coupled

with the pressures on oil prices, this is likely to push up the general level of prices, resulting in high inflation levels. The downside of these developments is that they may dampen the efforts by the Central Banks to stimulate economic growth through lower interest rates. In addition, this will also put pressure on governments to find additional resources to support the poor and vulnerable groups in society.

Honourable Ministers,

These developments have important implications for SACU as a region as it pursues its regional integration agenda. It is my sincere hope that we will take account of these issues as we improve and accelerate implementation of the SACU Agenda that was discussed at the Retreat.

Honourable Ministers,

As is customary for the Chairing country to indicate its priorities when it takes over Chairmanship, I would like

to also join my predecessors by indicating Botswana's priorities for the coming year.

Colleagues will be aware that Botswana is quite passionate about achieving balanced development within SACU. It will be no surprise therefore that our priorities will be:

- **Regional Industrial Development-** in this area we believe that the development of the regional industrial policy will promote economic diversification and increase productive capacity in all Member States, including potential productive capacity. In essence therefore, we will ensure that work in this area proceeds expeditiously so that the benefits of integration can spread equitably across all Member States.
- **The establishment of outstanding institutions-** in this area we see the establishment of the Tariff Board and National Bodies as a natural complementary activity to the development of the regional industrial policy. In this regard we will

lend our support towards the establishment of the Tariff Board and ensure that in Botswana, at least, the National Body is established before the end of our tenure in the Chair.

Honourable Ministers,

Turning to our agenda for this meeting, I note that we have a number of issues to deal with, some of which relate directly to priorities I have just outlined. I also note that our agenda is unusually long due to the fact that our June Council meeting did not take place as initially scheduled. However, I take comfort from the fact that a number of issues were covered at the recent Retreat, where we provided direction on how to deal with some of the issues where progress appears to be slow. I do hope that the Commission has taken note of our advice and this should assist us to go quickly through our Agenda for today.

Honourable Ministers,

I note that during this meeting we will have an opportunity to consider the report on the outcome of the Retreat. We will also, among others, receive updates on progress achieved by the Task Teams on the Review of the Revenue Sharing Arrangement and Industrial Development Policy. We will also receive updates on the trade facilitation programme, the ongoing trade negotiations and on the establishment of the SACU Tribunal and Tariff Board.

We will also consider the outcome of the meeting of the Task Team on Trade in Services and an update on the development of the rules of procedures for the Summit.

Without further ado, I would like us to turn to our agenda for the day. In doing so, may I also wish us fruitful deliberations.

I thank you.