

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

7 DECEMBER 2012

SWAKOPMUND, NAMIBIA

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 28th Meeting of the SACU Council of Ministers. On behalf of all of us, let me take this opportunity to thank the Government of the Republic of Namibia for the warm hospitality and the excellent arrangements made for this meeting.

Honourable Ministers,

This Council meeting is taking place at a crucial time when uncertainties regarding the global economic recovery are still prevalent. The recently published IMF World Economic Outlook report (October 2012) highlights that, in advanced economies, growth is now too low to make a substantial dent on unemployment. For the major emerging market economies, growth that was strong at the start of 2012 has also been revised downwards. Relative to their April 2012 forecasts, the most recent IMF forecasts for 2013 have been revised downwards. Growth for advanced economies has been revised from 2.0 percent to 1.5 percent, while growth for emerging economies has been revised from 6.0 percent to 5.6 percent.

The fragile global economic recovery has suffered several setbacks and created an uncertain outlook. Policies in the major advanced economies have not rebuilt confidence in medium-term prospects and risks relating to the viability of the euro area. The uncertainty about the direction of the U.S. fiscal policy also continues to preoccupy investors. Unemployment is likely to stay elevated in many parts of the world and financial conditions will remain fragile.

Honourable Ministers,

As a region, a key issue that we need to consider is whether the global economy is just hitting another bout of turbulence in what was always expected to be a slow and bumpy recovery or whether the current slowdown will stay with us for a long period.

The concerns about the major developed economies such as USA and Europe have profound implications for our region. We are well aware of the spillover effects of the recessionary period and the resulting decline in export demand and indeed our economic growth rates.

As a region we need to position ourselves and respond to these challenges. We should not lose the focus on our development imperatives. We should also ensure policies to mitigate against the impact of the sluggish global growth are put in place so that poor households remain protected.

Honourable Ministers,

Turning to our agenda for today, I note that during this meeting we will receive updates on progress achieved by the Task Teams on the Review of the Revenue Sharing Arrangement and Industrial Development Policy. We will also consider the allocation of Member States' revenue shares for the 2013/2014 financial year; updates on the trade facilitation programme; and the ongoing trade negotiations. In addition, we will consider the proposed amendments to the SACU Agreement aimed at institutionalising the Summit as well as on the establishment of the SACU Tribunal and Tariff Board.

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.