

# Quarterly



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July - September 2008

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*Disclaimer: The views expressed in this newsletter do not necessarily reflect those of the SACU Secretariat.*

# Lesotho takes over Chairmanship of SACU

**Lesotho took over Chairmanship of SACU on the 17 July 2008. During her tenureship the SACU Council of Ministers will be chaired by Hon. Dr Timothy Tahane, Lesotho Minister of Finance and Development Planning.**

The 2002 SACU Agreement makes provisions for the chairmanship of Council to be held in turn by each Member State (Botswana, Lesotho, Namibia, South Africa, and Swaziland) for a period of one year. The chairmanship is rotated among the Member States on an annual basis in an alphabetical order.

Lesotho's priorities during her term of office will be on the achievement of the following key objectives:

**Finalisation of the SACU Wide Strategy** - a major priority would be the finalisation of this strategy, which will provide a framework for SACU's internal operations as well as engagement with external stakeholders. Since the studies on regional integration have been completed and Council has provided strategic direction for SACU, the focus should turn toward using these documents to design a Strategy, which should be completed before end of Lesotho's term.



*Lesotho Minister of Finance and Development Planning, Hon. Dr Timothy Tahane, flanked by SACU Executive Secretary Ms Tswelopele Moremi.*

**Strengthening the SACU trade facilitation programme.** Facilitating the free movement of goods within the Customs Union is a critical feature of a Customs Union. During Lesotho's term, focus will be on creating an environment that will facilitate achievement of this objective. Amongst the critical deliverables is the establishment of a one-stop-border in SACU.

**Establishment of Institutions** - This will entail establishment of the Tariff Board, Tribunal and National Bodies. This objective critically rests on the support and commitment of Member States in ensuring that national processes are undertaken to achieve this.

**Management of the Common Revenue Pool** - This issue has been on the agenda

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# Conclusion of the 15th SACU Council of Ministers Meeting.

**The 15th SACU Council of Ministers Meeting was convened on 27 June 2008, under the Chairmanship of Hon. Baledzi Gaolathe, Minister of Finance and Development Planning for Botswana. The SACU Council of Ministers consists of the Ministers of Finance and Ministers of Trade from each of the five Member State, Botswana, Lesotho, Namibia, Swaziland and South Africa.**

In summary the decisions made by the SACU Council of Ministers at their 15th Meeting are:

#### **SACU council of ministers retreat**

Council decided to convene a special meeting for the Council of Ministers in the form of a retreat. The objective of the Retreat would be to discuss the emerging policy issues from the two studies on regional integration, namely the impact assessment of the 2008 SADC FTA and the impact of the proposed 2010 SADC Customs Union on the SACU Member States. The Retreat will further look into the key challenges facing SACU both internally and externally. Some of the challenges include SACU's relations with third parties, SACU's approach on policy development and harmonisation, the establishment of the remaining SACU's institutions (Tariff Board and Tribunal), and SACU's revenue flows.

The outcome of the retreat should contribute to the development of a SACU wide strategy; as directed by Council that contains a shared vision and a future strategic direction for SACU.

#### **SACU Trade Negotiations with third parties**

**SACU-MERCOSUR Preferential Trade Agreement (PTA):** Following the last round of negotiation between SACU and MERCOSUR held on 17 and 18 April 2008 in Buenos Aires, Argentina, where all outstanding technical issues have been resolved, Council approved that the SACU MERCOSUR PTA be signed at a Ministerial level at a date and venue to be mutually agreed by both parties. Council further mandated the South African Ambassador to Argentina to deliver a statement, on behalf of SACU, at the MERCOSUR summit schedule for 30 June 2008 indicating SACU's readiness to sign the Agreement. The agreement is a Preferential Trade Agreement aimed at promoting trade between the two sides on a selected number of products. It contains 1000 tariff lines on both sides for which preferences will be granted. The agreement will replace the agreement signed in December 2004 in Belo Horizonte, Brazil, as substantial changes were made to the earlier agreement.

#### **SACU-USA Trade, Investment and Development Cooperation Agreement (TIDCA):**

At its 14th meeting held on 4 April 2008 in Gaborone, Botswana, Council adopted the TIDCA agreement for signing by Member States. Council further approved that it be signed at Ministerial level and directed that the necessary authority for signature be obtained by Member States. The USA has proposed that a formal signing ceremony be held on the margins of the upcoming AGOA Forum which takes place

on 14-16 July 2008 in Washington, DC, in the United States of America. As Member States are still in the process of acquiring the necessary authorizations for signature. Council Urged Member States to conclude the internal processes in order to meet the proposed signing ceremony on the 14 July 2008 in Washington, DC.

#### **SACU Single Administration Document (SAD)**

As part of SACU's five customs initiatives a SACU Customs Single Administration Document (SAD) has been developed. Council approved the SACU SAD form as the main customs declaration document for all SACU trade. Council further urged Member States to undertake awareness campaigns for traders about the new form.

#### **Proposed Intra SACU Data Integrity Minimum Standard**

Council approved the SACU Data Integrity Minimum Standard in order to facilitate the audit of intra-SACU trade data. The SACU Data Integrity Minimum Standard is a tool that will be used by the SACU Secretariat to audit intra-SACU trade data supplied by Member States for the purposes of determining SACU revenue shares. The tool includes the standard lists of potential risks and controls which should be applied to the data from its capture through to its summarization. It therefore provides a benchmark by which Member States data and processes for data capture can be evaluated and audited for purposes of applying the Revenue Sharing Formula.



## Lesotho takes over Chairmanship of SACU

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for a while. Various studies have been undertaken to facilitate decision making. A decision is to be taken on a permanent arrangement for the management of the pool for implementation with effect from 1 April 2009.

**Trade Relations** - An important objective for SACU is enhancing integration into the global economy through trade. In this regard, Lesotho will focus on completing ongoing trade negotiations and the establishment of a Common Negotiating Mechanism (CNM). A priority among these will be the finalisation of the SADC-EPA negotiations. This is a matter that the recent SACU Council of Ministers Retreat put a lot of emphasis on. A decision was taken to re-group and develop a common SACU position.

**Consolidation of SACU** - The consolidation of SACU will not be complete without the consolidation of the capacity of the Secretariat to ensure that it can deliver. The Secretariat can only serve the Member States and the Organisation when sufficiently equipped with institutional and technical capacity. In this regard there are outstanding needs, including the finalisation of all operational policies and procedures to make the SACU Secretariat function effectively.

## SACU Council of Ministers Retreat

The Council of Ministers retreat was held from 31st August - 1st September 2008 in Kasane, Botswana.

The objective of the retreat was to review the implementation of the 2002 SACU Agreement to date; address the agenda of SACU moving forward with regards to its role in Regional Integration; and to assess the current internal and external challenges with the view to establishing the parameters of a SACU wide Strategy.

The Retreat saw open and wide-ranging discussion of vital issues, new challenges and discussions on matters that have been on the

agenda for a considerable period of time.

The Retreat concluded that, SACU is and continues to be a relevant institution in so far as its mandate is concerned which is to promote conditions for fair trade and fair competition in the Customs Area, enhance economic development among the Member States, and promote the integration of Member States into the global economy through trade and investment initiatives.

Member States reaffirmed their commitment to SACU and endeavoured to give their full support and impetus to the organisation's current and future initiatives.

## African Union (AU) brainstorming session, on the implementation of the Assembly's decision of a Union Government.

The SACU Executive Secretary Ms Tswelopele Moremi attended the African Union (AU) brainstorming session, of the AU Committee of 12 Heads of State and Government, on the implementation of the Assembly's decision of a Union Government. The brainstorming session was held from 22nd - 23rd July 2008, will be held in Addis Ababa Ethiopia.

After considering the report of the Committee, at the 11th Ordinary session of the Assembly of Heads of State and Government of the African Union meeting in Sharm - El - Sheik, Arab Republic of Egypt from 30 June to 01 July 2008, the Assembly requested the Commission of the African Union to work out the modalities and details for the implementation of the recommendations of the Committee of Twelve



regarding the Union Government, including a road map and the issues that require clarity.

A Team of High Personalities and Experts, inclusive of the SACU Executive Secretary Ms Tswelopele Moremi, were being invited to brainstorm with the AU Commission on how best to deal with the implementation of the Assembly's decision of a Union Government.

# New Director of Corporate Services - Mr Ivan Sundarparsad

Mr Ivan Sundarparsad is the new Director Corporate Services. He joined the Secretariat on 1st September 2008. Mr Sundarparsad holds an MBA with Distinction in Marketing Management from the University of Wales (UK). His career background includes working for Diverse and Large Organisations in the area of strategy, change management and business re-engineering.

The key role for the Directorate is to ensure that at a strategic level the Council, through the office of the Executive Secretary, receives timely and accurate advice relating to all financial, human resource, property management, IT and Facilities Management initiatives and that the provision of these core support functions promotes consistency and cost-effective delivery.

The Director Corporate Services has the responsibility for the following eight portfolios; Finance, Human Resources, Administration and Procurement, Information Technology, Records keeping, Documentation and Conferencing Services. The Directorate works to provide high-quality support for staff and SACU Institutions through the



*Mr Ivan Sundarparsad, the new Director Corporate Services.*

management, continuous improvement and innovation of the afore mentioned portfolios, which normally involves institution level projects or programmes where multiple portfolios and Directorates are involved.

Mr. Sundarparsad brings with him valuable experience which will contribute towards the current and future initiatives of SACU.

## Calendar of Events for the Next Quarter

### October 2008

6 - 7 October  
World Trade Organisation (WTO) Trade Policy Review for SACU : Rational Trade Policy Seminar. Windhoek, Namibia.

24 - 28 October  
African Union (AU) Ministers of Trade Meeting Durban, South Africa.

### November 2008

11 - 13 November  
SACU Secretariat visit to the EAC. Arusha, Tanzania.

14 November  
SACU Industrial Policy Workshop Pretoria, South Africa

17 - 18 November  
WTO Committee on Regional Trade Arrangements (CRTA) Geneva, Switzerland.

24 - 27 November  
SACU - India Negotiations New Delhi, India.

### December 2008

1 - 3 December  
17th SACU Commission Meeting. Walvis Bay, Namibia.

4 December  
SACU Finance Ministers Meeting Walvis Bay, Namibia

SACU Trade Ministers Meeting Walvis Bay, Namibia.

5 December  
17th SACU Council of Ministers Meeting Walvis Bay, Namibia.

16 December  
MERCOSUR Summit & SACU - MERCOSUR PTA signing ceremony. New Delhi, India.

For a complete listing of upcoming events refer to the events calendar:  
<http://www.sacu.int/eventscalendar>

## Mailing List

The SACU Quarterly is a SACU Secretariat newsletter that is produced every three months and is circulated free of charge. If you wish to be on the mailing list, write to SACU Quarterly, Private Bag 13285, Windhoek, Namibia, or email: [sacuquarterly@sacu.int](mailto:sacuquarterly@sacu.int).

## Comments and Feedback:

For comments and feedback, email: [feedback@sacu.int](mailto:feedback@sacu.int) or write to SACU Quarterly, Private Bag 13285, Windhoek, Namibia.