



**OPENING REMARKS BY THE EXECUTIVE SECRETARY
*MS PAULINA M. ELAGO,***

ON THE OCCASION OF

THE AUTHORISED ECONOMIC OPERATOR WEBINAR

4 NOVEMBER 2020

The SACU Heads of Customs

Distinguished invited guests

Members of the Private Sector

Officials from Other Government Agencies

Customs Experts from the SACU Member States

Representatives from the World Customs Organisation

Representatives from the United Kingdom

Representatives from the SADC Secretariat

Representatives from the African Union Commission

Representatives from the Trade Mark East Africa

My team at the SACU Secretariat

Good Morning!

1. Allow me on behalf of SACU to express my sincere gratitude to you all for honouring our invitation to this Webinar. We are delighted to have you join us despite the challenges we all face in the mist of the COVID-19 Pandemic. I wish to use this opportunity to pay tribute and honour to those who are at the frontline fighting this pandemic including health workers, border agencies and closer to home, our Customs Officers who continued to ensure that cross border trade is facilitated and the movement of essential goods and services expedited at border crossings.
2. Allow me at this stage to also thank all Experts from across the globe for honouring our invitation to share your insights, expertise and experiences with the SACU region on development and implementation of the Authorised Economic Operator Programme.
3. A warm welcome to representatives from the private sector who are key and strategic partners in this process.
4. COVID-19 has significantly altered and disrupted the global supply chains. As a result, businesses, individuals, and governments had to adjust and repurpose to remain afloat. Like everywhere else, the SACU region was not spared as we do rely hugely on supplies and goods produced outside of our Common Customs Area. The impact of COVID-19 was felt at all levels and fabric of society and the economies at large. We saw significant reduction in retail supplies, the challenges of meeting contractual obligations from suppliers to consumers, and the initial hindrances associated with cross border movement of goods.

5. Whilst the overall real impact of COVID-19 on international trade is yet to be determined, there is overwhelming data that shows that global trade has contracted in the first quarter of 2020 by 3.5 percent. As economies slowly return to normality, it will surely not be business as usual. As such, the public and private sectors should rethink new strategies to adapt to this new normal and any future disruptions.
6. As you may be aware that the SACU region is implementing a Regional Customs Modernisation Programme which is our flagship programme. This Programme aims to enhance operational efficiencies for the cross-border movement of goods, secure borders and eliminate entry of sub-standard and illicit goods, ensure seamless movement and facilitation of trade as well as to promote traders' compliance with the national laws and policies regarding importation and exportation of goods.
7. To date, the SACU Customs Modernisation Programme delivered critical tools, frameworks and instruments to aid regional collaboration on modernisation of the Customs procedures, IT Systems and Customs Policies. These were developed in partnership with the World Customs Organisation and the Swedish International Development Cooperation Agency (SIDA) from 2008 to 2018.
8. Let me also pay tribute to the WCO for the continuous support and partnership over the years. In the same vein, I wish to extend my appreciation to SIDA whose funding support had made our partnership with the WCO successful and has enabled us to develop tangible tools and frameworks.

9. In 2019, the SACU region partnered with the Government of the United Kingdom to support implementation of the tools, frameworks and instruments developed under the SACU Customs Modernisation Programme. This partnership was cemented through a Memorandum of Understanding signed on the 20th January 2020 between the UK and the SACU Secretariat.
10. I wish to thank the Government of the United Kingdom for our current partnership. This has enabled us to forge ahead as a collective to fully implement the regional tools and frameworks developed under the Customs Modernisation Programme.
11. The key initiatives implemented under the Customs Modernisation Programme are on IT Connectivity; Risk Management, Compliance and Enforcement; Preferred Trader Programme and Stakeholders Engagement; Customs Legislative Framework; Gender Mainstreaming and Capacity Building; and Monitoring and Evaluation. IT Connectivity and the Preferred Trader Programme are the core pillars of the SACU Customs Modernisation Programme, whilst others are support functions.
12. We are pleased that the SACU Customs Modernisation Programme has delivered tangible results thus far. To mention but a few:
 - all Member States are enabled to configure and link their Customs IT Systems for automated exchange of information in real time. Eswatini and South Africa have started automated exchange of information in real time. Testing is underway to commence automated real-time exchange of information in Botswana, Lesotho, and Namibia.

- all Member States have established the National Preferred Trader Programmes and accredited Preferred Traders. As of 30 September 2020, Member States have collectively accredited 139 Preferred Traders.
- all Member States have signed and are implementing Bilateral Arrangements to facilitate automated exchange of Customs information between them. A Regional Arrangement is also concluded to facilitate automated exchange of Customs information at regional level.
- All Member States have implemented the Regional Customs Risk Management and Compliance Strategies through which Member States commenced collaboration to curb illicit trade and substandard products from free circulation in SACU.
- In this regard, three (3) Joint Customs Enforcement Operations that targeted alcohol, tobacco, and textile and clothing were successfully undertaken. Through these operations, the region detected illicit trade transactions with a combined revenue prejudice of R309 166 306, amongst others.

- The SACU region has also trained about 530 Customs Officials and the Private Sector on the Preferred Trader Programme, Customs Risk Management, Post Clearance Audit, to mention a few. In addition, at a national level, Member States continued to deliver tailored training and awareness campaigns to the Private Sector as well as Customs on the initiatives implemented under the Customs Modernisation Programme. As a region, it is important that we should continue to put plans in place to sharpen our interventions and approaches to enhance and ease the movement of goods in our Common Customs Area.
13. The SACU region is now transitioning from the Preferred Trader Programme to Authorised Economic Operator Compliance Programme. The transition seeks to augment and amplify the work done so far and to elevate the Preferred Trader programme to a Global Authorised Economic Operator Compliance Programmes.
 14. Our aim is to develop a Regional Authorised Economic Operator Programme that will contain both compliance and security aspects. This will be aligned to the World Customs Organisation SAFE Framework of Standards. Our region will in future seek to sign mutual agreements and arrangements with our trading partners to ease access into external markets for our traders.
 15. We owe the results and achievements recorded under the Customs Modernisation Programme to the leadership of SACU Heads of Customs, supported by the Customs Officials and my team in the Secretariat who worked tirelessly to progress the technical work on the Customs Modernisation Programme. This collective effort has paved the way and enabled our region to commence work towards developing the Regional Authorised Economic Operator Programme.

16. This session today offers a platform to engage with all key stakeholders with a view to sharing knowledge regarding those important elements of the AEO, pitfalls and lessons as we undertake work to develop our Regional Authorised Economic Operator Programme. As such, I am grateful to all the Experts that have joined us today to share their expertise, lessons, knowledge and insights on the Authorised Economic Operator Programme.
17. I have noted that during the lockdown restrictions imposed by the governments to contain the COVID-19 Pandemic, some of our Member States used green lane channels to facilitate essential goods. This approach signifies the future of cross border movement of goods. However, the region needs to increase the number of compliant traders to be able to fully implement green lane channels. This will assure governments that revenue is not lost through non-compliance and that the public is secured from entry and circulation of sub-standard, hazardous and illicit goods within our common borders.
18. We are also aware of some traders that still attempt to circumvent the customs and trade requirements through importation of substandard products, including fake medication. This is quiet concerning especially when the world is faced with a pandemic of this magnitude.
19. Therefore, the work on the Authorised Economic Operator Programme is timely and it is a step in the right direction to secure the supply chains and ensure compliance with the laws and regulations.

20. Let me also share with you the recent developments in the SACU Work Programme. The 4th Ministerial Retreat held virtually on 21st September 2020, agreed that the SACU Work Programme should focus on industrialisation, development of regional value chains, implementation of cross-border investment and trade facilitation. The overarching objective is to industrialise the SACU region to ensure that the key sectors identified have a competitive and comparative advantage in Africa and globally.
21. Furthermore, the Ministers directed the Member States to develop concrete proposals and identification of key programmes to be implemented in Trade Facilitation to support trade and industrialisation agenda.
22. The successes attained under the SACU Customs Modernisation Programme will no doubt serves as springboard for the assignment to deliver concrete proposals on trade facilitation to support trade and industrialisation agenda.
23. The Authorised Economic Operator Programme and IT Connectivity will remain the core components that will strengthen collaboration between Customs, Other Government Agencies, and the Private Sector. Therefore, there is a need to move with speed to develop and fully implement the Authorised Economic Operator Programme to be able to meet the needs of business in this changing global trade landscape.
24. I look forward to the engagements and insights to be shared.

Thank you for your kind attention!