

**CLOSING REMARKS BY HON. MAJOZI SITHOLE, MINISTER OF
FINANCE, SWAZILAND AND CHAIRPERSON OF SACU COUNCIL OF
MINISTERS ON THE OCCASION OF THE SACU REGIONAL
CONFERENCE**

EMPERORS PALACE, JOHANNESBURG, SOUTH AFRICA

FRIDAY, 29 JULY 2011

Director of Ceremonies,

Honourable Minister of Trade and Industry of South Africa, Hon. Rob
Davis

The Executive Secretary of SACU, Ms. Tswelopele Moremi

The Executive Secretary of COMESA, Mr. Sindiso Ngwenya

Distinguished guests

Ladies and Gentlemen

It is a great honour for me to have been accorded this opportunity to make some closing remarks at this important event in the Calendar of SACU. As the current Chairperson of SACU, I believe I speak on behalf of all present here that the conference was indeed a resounding success! On hindsight, I wish we had invited all the SACU Council members to participate at this conference and hear first-hand the extremely useful and insightful contributions that have been shared by the participants from all five SACU Member States. Your interventions will certainly feature in the ongoing quest to transform our Organisation into a vehicle for deeper regional integration in the sub Saharan Africa.

May I also take this opportunity to thank the moderators for the profound manner in which they have guided deliberations and interactions during the Conference. I know that it was difficult at some point as deliberations got heated but your able leadership and cooperation of the participants allowed us to navigate through some difficult issues, which by the way, we at the level of Council have to deal with frequently in our meetings.

I also wish to thank the presenters for the thought provoking and informative presentations that have reminded us of the journey that SACU has travelled, and the challenges that still lie ahead in taking SACU to the next level of integration.

It would be remiss of me not to recognize the presence of the private sector from across the Customs Union and to also thank them for taking their time to come share with us as we strategise about the future of our Organisation. It is my hope that this conference has helped strengthen the networks between the business people in our region and has paved the way for even greater interactions between the governments and business community in the five countries.

Furthermore, may I also thank our esteemed guests from regional and international organizations for coming together with us at this important occasion. We are bound together by a common objective, that is, the growth and development of our different regions. Therefore collaboration between us is non-negotiable, for the faltering by one of our regions delays achievement of our collective objective at the continental and global level.

Lastly, may I also extend my appreciation to the media who have been here with us throughout the day. I hope that you have gained some insights into the issues affecting SACU and that we can work together in building this region to achieve an Economic Community

with equitable and sustainable development, dedicated to the welfare of its people for a common future.

Director of Ceremonies,

The coming together of participants from various sectors of the economy and across geographic boundaries to tackle the challenges of regional integration is a tangible demonstration of the desire and commitment by SACU to advance its integration arrangement. It is my hope that this will not be the last of such Conferences and that the Secretariat will arrange many more of such interactions between the different groups.

Turning now to the core of the discussions held today, I would like to make a few observations on issues that I believe we can take home regarding the conference. During the official opening, I identified three questions areas which I thought the conference needs to address. These are:

- The experiences from elsewhere that ought to help us shape our programme going forward;
- The pitfalls that SACU needs to avoid in shaping its future; and
- Some concrete ideas for tackling the areas in the SACU work programme, in which we have not done much work.

I am happy that all of these areas have been addressed by the conference.

Clearly, the importance of industrial development within the region cannot be emphasized. In our own discussions at the level of the SACU Council, we have identified the development of a regional industrial development policy as an overarching objective of the SACU programme going forward. A number of ideas for taking this

forward have come up during our discussion and these will surely enrich the debates in SACU as we move towards concretizing industrial development.

A regional industrial development programme will surely address some of the concerns around polarization. This will help us see ourselves more as one region rather than separate countries each trying to out-compete the other. The key here is to unlock the supply potential of the region and ensure that we are able to increase production and exports to the rest of the world. In particular, the discussions highlighted the importance of harnessing competitiveness, innovation, horizontal and vertical integration at the inter-industry level across SACU, while at the same time addressing financing mechanisms to implement a comprehensive and balanced regional industrial development policy that takes into account differences in economic development in Member States

A striking feature of the debates that we had today, is the interconnectedness of the issues that were on the agenda. As already mentioned, at the centre of this programme is industrial development, which is supported by cross border infrastructure to link the regional centres and some financing to ensure that all of this happens. This in a way indicates the appropriateness of the SACU programme at this time and this is likely to take the region towards deeper integration levels.

Coming to the revenue sharing arrangement, it has again been acknowledged that SACU receipts represent an important source of revenue for the budgets in some Member States. The volatility of this source of revenue however, remains a challenge. Some interesting information around the trends in payments to Member states over the last forty years was shared. Going forward, there is

need to think carefully around reducing the volatility in this revenue stream. At the same time, Member States should diligently look into other opportunities that will reduce their dependence on this source of revenue and diversify their income source.

I was also impressed to learn the experiences of the European Union when it comes to collection and distribution of tax revenue. These lessons will surely be useful in helping SACU think through the review of the Revenue Sharing Arrangement.

I was particularly pleased to note the critical importance attached to infrastructure development as an enabler for industrial growth and development. Cross border infrastructure is also a vital lubricant for facilitating trade within SACU as well as facilitating trade with third parties. In order to grow our region, we need to pay attention to strengthening collaboration and partnership between national governments and the private sector in the provision of infrastructure.

In conclusion, I wish to reiterate my appreciation to each and every one of you for your active participation in making this day a memorable one. Your contributions will certainly enrich our debates in SACU.

Finally, let me take this opportunity to officially declare this conference closed and wish you all a safe journey back to your respective destinations.

I thank you for your attention.