



DEVELOPMENTS IN SACU

KEYNOTE ADDRESS

HONOURABLE MAJOZI SITHOLE

**MINISTER OF FINANCE OF THE KINGDOM OF SWAZILAND AND
CHAIRPERSON OF THE SACU COUNCIL OF MINISTERS**

ON THE OCCASION OF THE SACU REGIONAL CONFERENCE

EMPEROR'S PALACE, JOHANNESBURG, SOUTH AFRICA

29 JULY 2011

Thank you Director of Ceremonies;

Honourable Dr. Rob Davies, Minister of Trade and Industry of the Republic of South Africa,

Your Excellency, Tswelopele Moremi, Executive Secretary of SACU,

Your Excellency, Sindiso Ngwenya, Secretary-General of COMESA,

Members of the Diplomatic Corps,

SACU Commission Members and Senior Officials,

SACU Secretariat Officials,

Distinguished Moderators and Presenters,

Dear Conference Participants,

Members of the Media,

Ladies and Gentlemen

It is indeed an honour for me to present a keynote address on the occasion of the first Regional Conference for the Southern African Customs Union. This is an important gathering that I believe will provide useful ideas and recommendations that will guide us as we strive to move SACU forward towards the next centenary.

Allow me to preambule my remarks by first of all expressing my sincere appreciation and gratitude to the Government of the Republic of South Africa for their generous hospitality and all the arrangements made for this conference. We fully understand the logistical challenges that go along with organising an event of this magnitude and I want to assure you, Honourable Minister, that the hard work you and your team have put in is highly appreciated by all of us.

Distinguished Conference Participants,

On 15 July 2011, the Kingdom of Swaziland took over the chair of SACU from the Republic of South Africa. During its term as Chair, the latter has skilfully steered the Organization through many challenges, and we as the Kingdom of Swaziland are honoured to take over the baton at this crucial stage of the process of transforming the Custom Union into an even stronger regional unit. The Kingdom of Swaziland

assuming the Chair of the SACU Council of Ministers is a confirmation of the desire to further deepen the integration process of SACU.

The past 100 years have shown that SACU Member States are committed to work together with a common objective for the development of our region. Swaziland therefore commits herself to continue with the important work started under the Chairmanship of South Africa to ensure that the Organization grows even stronger than what it already is.

Ladies and Gentlemen,

SACU as a Customs Union has its origin in history, which presents its own limitations. It was a useful tool for the purpose, for which it was created, but the time has come to take into account the changes taking place regionally, continentally and globally, which requires identifying a new purpose for the Customs Union. The Heads of State and Government recognized this when they adopted the Vision of creating a deeper integrated union and directed the SACU Council of Ministers to implement the required work programme.

The evolution of the Customs Union over time, as reflected through the various Agreements since 1910, has been underscored by the desire of the Member States to modernise and deepen the integration arrangement to bring about a fresh start. This implies a new *modus operandi* within SACU. It also forges new institutional arrangements to govern the relationship amongst the Member States.

Ladies and Gentlemen

This Conference is the culmination of a process that was started in 2010 when the SACU Heads of State and Government met in Windhoek on 22 April 2010 to launch the celebration of the Centenary of SACU. At this Summit, the Heads of State and Government adopted a Vision and Mission that sees SACU as an economic community, aimed at taking SACU into the future, thereby paving the way for a new and reinvigorated Organization that will be able to face the challenges of the next 100 years.

The new Vision of the Organization, "*an economic community with equitable and sustainable development, dedicated to the welfare of its people for a common future,*" defines the future state of SACU. Developing a SACU Vision and Mission is our response to the developments that are happening at the regional and continental level. The Vision seeks to construct a position for SACU within the plethora of integration initiatives currently taking place and defines the future form of the Organization. With this Vision, the Heads of State and Government also recognized the potential of the Organization to serve as a building block for closer economic integration in the Southern African region.

The theme of the centenary celebrations and of this conference, "*Implementing a Common Agenda towards Regional Integration in Southern Africa*", points towards the need to transform the Organization in line with developments in the region at large and globally. This theme therefore challenges all of us to bring about transformation of the Organization and ensuring that it is positioned as a building block for a closer community among the peoples of Southern Africa.

Distinguished Conference Participants,

The Windhoek Summit also signalled the start of a work programme that will lead SACU down the path of deeper regional integration and even closer cooperation amongst Member States on a number of key priority areas. At the second Summit held on 20 March 2011 in Pretoria, the Heads of State and Government endorsed five priority areas for our immediate attention. These are:

- Regional Industrial Development,
- Revenue Sharing Arrangement,
- Cross-border Trade Facilitation.
- Development of SACU Institutions, and
- Unified engagement in trade negotiations (where the SACU Council adopted a set of principles that will guide SACU's engagement in trade negotiations with third parties)

It is obvious that attaining our objectives will require committed leadership across the political spectrum, the private sector and other stakeholders based on a shared vision. Recognising this, Heads of State and Government have decided to institutionalise the Summit of SACU Heads of State and Government, thereby further committing to the long and challenging process of transformation.

Director of Ceremonies, distinguished delegates,

As Member States, we are committed to the unity of the region. It is true that we have and are facing significant challenges, not least the implications of being in a Customs Union with partners at different levels of economic development and therefore differing levels of ambitions and expectations to what the Union can or should deliver. Despite this, I wish to assure you, Ladies and Gentlemen, that we remain committed to finding long lasting solutions to overcome these challenges and resolve differences as they arise. We remain convinced that SACU is the vehicle upon which we want to base the economic development of our region. It is for this reason that the SACU Heads of State and Government have recommitted themselves to the Customs Union and beyond. In order to give effect to this commitment, SACU is currently developing a roadmap that will lead towards a deeper and more closely integrated economic community; an economic community in tune with the demands of the 21st century.

This unity will also manifest itself in our engagement with third parties, including the negotiations towards the Tripartite Free Trade Agreement launched at the recent Tripartite Summit held earlier this year. We are convinced that this is the way to go and we will move down this path as SACU with a common vision on where we want to be at the end of this process. We also want to ensure that SACU increases its attractiveness by demonstrating to the region its benefits as a suitable vehicle for integration and equitable economic development.

**Honourable Minister, Madame Executive Secretary, distinguished
Conference Participants,**

In conclusion, it is opportune to thank the officials who have organized this conference for the efforts they put into arranging today's proceedings and for developing such an interesting program. I believe that with the quality of speakers and the enormous amount of intellectual capacity in the room, we will find answers to some of the questions we need to answer as we move our integration agenda forward.

Finally, Ladies and Gentlemen,

I want to thank you all for being here today and wish you fruitful deliberations.

With these few words, I want to thank you for your attention.