
**KEY NOTE ADDRESS BY THE
PERMANENT SECRETARY OF FINANCE, NAMIBIA
MS. ERICAH B. SHAFUDAH
AT THE OCCASION OF
OFFICIAL HANDOVER OF THE OUTCOMES OF THE
WCO-SACU CONNECT PROJECT
16 NOVEMBER 2018
WINDHOEK, NAMIBIA**

Distinguished Madam Executive Secretary

Heads of Customs and Excise

Representatives of the World Customs Organisation

Customs Officials

The Officials of the Secretariat

Ladies and Gentlemen

Good Morning

I am delighted to take this opportunity to deliver my address on the occasion of the project handover ceremony of the WCO-SACU Connect Project, which is a flagship Project for the Customs Modernisation Programme in SACU.

Allow me to extend my special thanks to the Executive Secretary, Madam Paulina Elago, for inviting me to this momentous occasion.

Distinguished Ladies and Gentlemen

The Customs Modernisation Programme afforded us an opportunity to reform not only our customs environment but also our entire Trade Facilitation spectrum. It is a known fact that the Southern Africa region is beset with the challenges that impact on the pace of movement of cargo, which ultimately affects intra-regional trade levels.

According to the World Bank, getting a container across the Congo River costs almost \$4,500 and the total can amount to \$10,000 once the cost of inland transportation is added!

By contrast, moving an identical container with the same cargo from Malaysia to Singapore costs less than \$1,000. Thus, the task of modernising, simplifying and harmonising our Customs and trade processes and procedures is a matter of necessity.

It is also worth mentioning that the Southern African region is riddled with low levels of intra-regional trade. According to the McKinsey Global Institute Report: Lions on the Move II (2017), African trade is at 18 percent in comparison to the shares of intraregional trade in South and Central America at 17 percent, North America at 49 percent, European Union at 61 percent and Asia standing at 62 percent. Within the SACU region we are at about 15 percent. Thus, affirming the need to accelerate the implementation of the Customs Modernisation Programme in the SACU region through sustainable partnerships. The benefits derived will no doubt filter to the Southern African region as a whole.

Distinguished Ladies and Gentlemen

I am aware that as part of implementation of the Project, we have thus far developed and adopted key regional Frameworks required to strengthen Customs Cooperation and Collaboration at a regional level.

These include:

- (a) Regional Legislative and Administrative Customs Frameworks to facilitate automated exchange of information;
- (b) Regional Customs Preferred Trader Programme Engagement Strategy; Manuals to facilitate training of Customs Officials on Preferred Trader Programme; Manuals to guide the Private Sector and Customs Officials on the implementation of the Preferred Trader Programme; and Minimum Standards and Criteria; and
- (c) Regional Customs Strategies and Administrative Framework to facilitate common application of methods to identify, manage and deter illicit trade. Successful conclusion of Joint Customs Enforcement Operations targeting alcohol, tobacco, and textile and clothing.

Distinguished Ladies and Gentlemen,

The conclusion of the WCO-SACU Connect Project has benefited the SACU region immensely over the years. The value derived from initiatives such as these should be cascaded to the operational levels at the border posts to enhance administrative efficiencies related to cross border trade thus resulting in:

- (a) less cumbersome formalities and procedures at ports of entry and exit;
- (b) automated processes and procedures to allow timely information exchange;
- (c) a culture of conformity to rules and procedures by the business community; and
- (d) greater focus on risk management by Customs Administrations.

It is only when that happens that the true impact of these instruments and framework can deliver meaningful and sustainable and long-term benefits.

Madam Executive Secretary, Distinguished Ladies and Gentlemen,

The closure and handover of the WCO-SACU Connect Project is timely as it coincides with the review of the SACU Work Programme that focuses on:

- (a) the review and development of a suitable architecture for tariff-setting, rebates, duty drawbacks and trade remedies;
- (b) a review of the Revenue Sharing Formula and the long-term management of the Common Revenue Pool;
- (c) exploring the feasibility of a financing mechanism for regional industrialisation;
- (d) identifying financing options for regional projects;
- (e) the development of public policy interventions to promote and align industrial development and value chains; and
- (f) Strengthening existing cooperation and collaboration on Trade Facilitation to improve border efficiencies.

In this regard, the Customs Modernisation Programme in SACU has laid the foundation for further work towards Strengthening existing cooperation and collaboration on Trade Facilitation to improve border efficiencies.

It is thus imperative for Customs Administrations in SACU to fully take advantage of the review of the SACU Work Programme and make substantive inputs that seeks to shape the future of Trade Facilitation in SACU.

In addition, as part of the process to review the SACU Trade Facilitation Programme, I am aware that we are engaging all the Stakeholders that are key players and partners in the facilitation of trade in SACU. This holistic approach will assist the region to develop all-encompassing initiatives that addresses impediments to cross border trade with a view to enhancing efficiency and reducing transaction costs. This therefore will also put impetus to the foundation laid through the SACU Customs Modernisation Programme.

Distinguished Ladies and Gentlemen,

We believe that the WCO-SACU Connect Project has yielded several tangible benefits within the different components of the project which include the following:

- (a) Under IT Connectivity, regional Legislative and Administrative Customs Frameworks to facilitate automated exchange of information were developed and tested. This work will advance real time automated exchange of information.
- (b) Under Preferred Trader Programme, the Project oversaw the development of the regional Customs Preferred Trader Programme Engagement Strategy, Manuals to facilitate training of Customs Officials on the Preferred Trader Programme, Manuals to guide the Private Sector and Customs Officials on the implementation of the Preferred Trader Programme, and Minimum Standards and Criteria; and
- (c) Under the Risk Management and Enforcement component we have concluded the regional Customs Strategies and Administrative Framework to facilitate common application of methods to

identify, manage and deter illicit trade. Also, Joint Customs Enforcement Operations targeting alcohol, tobacco, and textile and clothing were concluded successfully.

Distinguished Ladies and Gentlemen,

These results could not have been achieved without the tireless work and contribution of a number of key players. To that end, I wish to thank all the Officials that have worked tirelessly over the years to shaping the SACU Customs Modernisation Programme. I also wish to extend my appreciation to the World Customs Organisation and the Swedish International Development Cooperation Agency for their relentless support over the years. Finally, to the SACU Secretariat for your continued hard work and commitment to ensure that our regional programmes are well coordinated and implemented on time.

Thank you!