



MEDIA RELEASE

SACU COUNCIL OF MINISTERS MEETING HELD IN WINDHOEK NAMIBIA

1. The Republic of Namibia, being one of the SACU Member States, hosted the SACU Council of Ministers' meeting on Friday, 24th June 2011. The venue for the meeting was the Safari Conference Centre in Windhoek, and this was the 23rd meeting of the SACU Council of Ministers, following the entry into force of the 2002 SACU Agreement on 15th July 2004. The Council of Ministers' meetings are held quarterly, and are preceded by meetings of the SACU Finance and Audit Committee and the SACU Commission.
2. The SACU Council of Ministers comprises Ministers of Finance and Ministers of Trade and Industry from the five SACU Member States namely Botswana, Lesotho, Namibia, South Africa and Swaziland. Under the 2002 SACU Agreement, the Council of Ministers is the highest decision-making authority on all SACU matters. A new development in the structure will result from the institutionalization of a SACU Summit, comprising Heads of State and Government of the SACU Member States, which will then assume the supremacy status.
3. The meeting was chaired by the Minister of Trade & Industry of the Republic of South Africa, Honourable Dr Rob Davies. South Africa's tenure as Chairperson of SACU ends on 14th July 2011.
4. Issues for consideration by the Council of Ministers meeting included the SACU Executive Secretary's Quarterly Report. The report provided an overview of regional and continental developments which have taken place since the beginning of 2011; the outcome of the recent SACU Summit, including

proposals regarding follow up work; and feedback on the Secretariat's collaboration initiative with International Organisations such as the IMF.

5. Other issues tabled before the Council of Ministers by the Chairperson of Commission included reports of work undertaken as part of the on-going work programme. The Chairperson of the Commission presented a report that was organised under the following six (6) headings: Development of a Regional Industrial Policy, Review of the Revenue Sharing Arrangement, SACU Trade Facilitation Initiatives, Establishing Common Institutions within an Agreed Policy Framework, Unified Engagement in Trade Negotiations and Other Issues.

i. Development of a Regional Industrial Policy

a) Council received a high-level paper on key principles that will underpin a Regional Industrial Development Policy in SACU, developed by the Secretariat. This Paper drew on Member States' Ambition Papers on regional industrialisation and identified key principles that are common in all Member States.

b) Council also received a progress Report on the Development of a Long Term Strategy for the SACU Textiles & Clothing Sector. The Council of Ministers noted progress on the work already accomplished on the development of the Long-term Strategy for the SACU Textiles & clothing Industry.

c) In taking forward, the work of developing the regional industrial policy, the Council directed that a task team comprising industrial policy experts from SACU member states, be established to urgently identify initial areas of cross-border industrial complementarities. A report will be presented to Council in September 2011.

ii. Review of the Revenue Sharing Arrangement

a) Council considered the final report of the study on the review of the Revenue Sharing Arrangement. As a way forward, Council directed that a Task Team be established to undertake further investigations on the Revenue Sharing Arrangement. The Task Team will present a report at the next meeting of Council in September 2011.

- iii. **SACU Trade Facilitation Initiatives**
 - a) Following the adoption of the SACU trade facilitation initiative by the SACU Summit, an Action Plan for achieving specific targets in the programme has been developed. The Action Plan was presented to Council for consideration and Council adopted the plan and directed that it be implemented.

- iv. **Establishing Common Institutions within an Agreed Policy Framework**
 - a) Council considered draft Amendments to the Southern African Customs Union (SACU) Agreement, 2002, to institutionalise the SACU Summit. Council also received a progress report on the establishment of the SACU Tribunal and the Tariff Board.
 - b) On the draft Amendments to the SACU Agreement of 2002, the Council of Ministers noted progress and then directed that national consultations be undertaken on the proposed Amendments. Council also noted the progress reports on the establishment of the SACU Tribunal and Tariff Board and directed that work in this area be expedited.

- v. **Unified Engagement in Trade Negotiations**
 - a) Council received a progress report on the ongoing trade negotiations with third parties. In this respect, Council received a report of the recently launched COMESA-EAC-SADC Tripartite FTA and its implications for SACU. Council also received an update on the Development of a Common Negotiating Mechanism for SACU, an up-date on the review of the SACU Annex on Mutual Administrative Assistance and some proposals for the development of an Annex on the SACU Single Origin.
 - b) On the COMESA-EAC-SADC Tripartite Free Trade Agreement, Council noted that a roadmap and timeframes for concluding negotiations towards a tripartite FTA has been adopted and that negotiating principles, processes and an institutional framework that will oversee negotiations have been agreed.

- vi. **Other issues presented to Council included**

- a) A status report on the performance of the Common Revenue Pool, a report of the Finance & Audit Committee and an up-date of the upcoming SACU Regional Conference.
- b) On the Common Revenue Pool, the status of collections indicates a recovery in the CRP, with collections for the first quarter of 2011/12 running ahead of forecasts.
- c) The Regional Conference is scheduled for the 29th July 2011 in South Africa. Topics for discussion will include Cross Border Infrastructure, Regional Industrial Development, Revenue Issues, and Regional Integration.

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