



**STATEMENT BY THE EXECUTIVE SECRETARY,
SACU**

MR THABO DAVID KHASIPE

ON THE OCCASION OF

THE ESWATINI REVENUE SERVICE (ERS)

**BREAKFAST SESSION WITH THE PRIVATE
SECTOR**

06 APRIL 2023

Honourable Mangoba Khumalo, Minister of Commerce, Industry and Trade in Eswatini;

Secretary General of the World Customs Organisation, Dr Kunio Mikuriya in absentia;

Commissioner General of Eswatini Revenue Service, Mr Brightwell Nkambule;

Chief Executive Officer of Business Eswatini, Mr Nathi Dlamini;

Head of Transformation at the Federation of Eswatini Business Community, Mr Mavela Sigwane,

Senior Officials from various Government Ministries and Government Agencies;

Distinguished Captains of Industry in Eswatini;

Distinguished Panellists;

Ladies and Gentlemen;

Good Morning!

1. It gives me great pleasure to join you at this Breakfast Session for Eswatini Revenue Service Engagement with the Private Sector, under the theme *“Authorised Economic Operator Accreditation - Bringing Real Benefits to Business in Eswatini”*.
2. Allow me to thank and congratulate Mr Brightwell Nkambule, the Commissioner General of Eswatini Revenue Service, for this important initiative, and also thank our teams that worked tirelessly to organise this event.
3. This engagement amongst Customs Officials, Government Agencies and the Private Sector is the second in a series of engagements that SACU is undertaking across the region.
4. We started in Namibia on 28 - 30 March 2023, where the private sector showed a lot of enthusiasm and excitement on the Authorised Economic Operator Programme. They also shared their views on how the Programme can be maximised to ensure business fully enjoy the benefits.

5. Our next engagement sessions will be in Botswana on 25 - 27 April 2023 and in Lesotho on 2 - 4 May 2023.
6. These sessions will culminate in a Region wide Authorised Economic Operator Engagement Session amongst Customs, Government Agencies, and the Private Sector from all SACU Member States, which will be held on 29 - 31 May 2023, in Johannesburg, South Africa.

Distinguished Guests,

7. Allow me to start by highlighting that the SACU Council of Ministers approved a Strategic Plan for SACU for the next five years that prioritises (i) Industrialisation, Export, and Investment Promotion; (ii) Trade Facilitation and Logistics; (iii) Implementation and Leveraging on AfCFTA opportunities; (iv) Trade Relations/Unified Engagement with third Parties; amongst others.
8. In June 2022, the SACU Council of Ministers approved the SACU Regional AEO Programme as one of our

Flagship Programme under the SACU Trade Facilitation and Logistics Programme.

9. In our engagement today, I would like to focus my remarks on **WHY** the Authorised Economic Operator Programme is important for businesses that are operating in the SACU Member States.
10. **First** - the overall objective of the AEO Programme is to ease cross border movement of accredited operators, to improve compliance, efficiencies, and reduce the cost of doing business in SACU.
11. **Second** - to raise the bar and level of competitiveness of firms that are operating in SACU through expedited clearance of goods at the borders and other benefits that are extended to the Authorised Economic Operators.
12. **Third** - to grant leverage to the businesses that are operating in SACU to become trusted partners globally, and especially in the context of the African Continental Free Trade Area (AfCFTA), through validated and accredited AEO status that guarantees

Compliance, Safety and Security of the businesses and their respective supply chains links.

13. **Fourth** - to facilitate ease of entry into new markets for businesses and products that originate in SACU through implementation of Mutual Recognition Arrangements that will be entered into with other countries. The AfCFTA is one of the largest markets globally, that is estimated to offer a market of 1.3 billion people and a combined GDP of approximately US\$ 3.4 trillion.
14. The AEO Programme will not only facilitate cross border trade within the region and beyond, but it will support our business community to maximise the ensure that SACU take full advantage of the opportunities presented by the African Continental Free Trade Area.

Distinguished Guests,

15. Some of the AEO benefits for the Private Sector include:

Speed - AEO Companies get their goods cleared faster, reducing cost and time it takes to get to the market or production line;

Predictability - certainty and consistency in the release time for goods enables supply chain optimisation;

Lower cost of cross border trade - better compliance assists companies to avoid penalties and additional duties;

Prioritised treatment - prioritised treatment from Customs and Other Government Agencies at the border; and

Mutual Recognition Arrangement - the AEO status will be recognised in all SACU Member States as well as other jurisdictions that signs MRAs with SACU.

Distinguished Guests,

16. The Programme consists of the two components for (i) Compliance, and (ii) Safety & Security. The SACU region is implementing the AEO Programme in phases. The initial phase was focused on developing the tools and frameworks required for an AEO

Compliance Programme. The next phase will focus on Safety and Security.

17. The focus under the AEO Compliance Programme was to put in place the requisite infrastructure and capacity to establish the respective National AEO Programmes.
18. To date, the companies are only accredited in their own countries under the AEO Compliance Programme, which was formally known as the Preferred Trader Programme.
19. All SACU Member States have established and are implementing their respective AEO Compliance Programmes using the minimum standards and criteria, and procedure manuals developed at regional level.
20. We note the significant strides SACU has taken towards rolling-out the accreditation of Economic Operators. To date, there are about 174 Accredited Economic Operators under the AEO Compliance Programme. In Eswatini we have three (3) Accredited Economic Operators.

Moving forward, Distinguished Guests,

21. As part of our next plans for the AEO Programme in SACU we need to recognise the accredited operators across the SACU Member States. This will be achieved through implementation of a Mutual Recognition Arrangement whereby accredited operators can be prioritised when they move their goods in the Common Customs Area. This approach is adopted to encourage all businesses to join the Programme and for SACU to become an AEO region.

22. Whilst we will be rolling out this programme within SACU, our ambition is to see it implemented beyond the SACU region where we intend to enter into Mutual Recognition Arrangements with other regional blocs to ease market access for our businesses in the AfCFTA as well as globally where our products are traded.

With these few remarks, I wish to implore the Eswatini Business Community to take advantage of this unique Programme and apply for accreditation to maximize on the identified benefits.

23. Thank you once again for the opportunity to engage with you!