



*OPENING REMARKS BY THE
SACU EXECUTIVE SECRETARY, MS. PAULINA M. ELAGO
OFFICIAL HANDOVER OF THE OUTCOMES OF THE WCO-
SACU CONNECT PROJECT*

16 NOVEMBER 2018

WINDHOEK, NAMIBIA

Distinguished Permanent Secretary of Finance,
Namibia, Ms Ericah Shafudah;

Heads of Customs and Excise from the SACU Member
States;

Representatives of the World Customs Organisation;

Customs Officials;

My Colleagues from the Secretariat;

Ladies and Gentlemen.

Good Morning.

1. Today it gives me great pleasure to host the closing ceremony and the official handover of the outcomes of the WCO-SACU Connect Project.
2. This ceremony marks the end of the WCO-SACU Connect Project which is a SACU Regional Customs Modernisation Programme. The Project was implemented as a collaboration between SACU Member States, WCO and the Swedish International Development Cooperation Agency (Sida). The project started in 2008 and was implemented in two phases, respectively in 2008 to 2013; and 2014 to 2018. Today we will receive the presentation of the outcomes of the WCO-SACU Connect Project covering the period from February 2014 to December 2018.
3. This ceremony takes places at the backdrop of the rapidly changing trading environment, which is necessitated by the advent of the fast-paced technological advancements and innovation.
4. In this regard, the main topical issues in international currently is the 4th industrial revolution. As we follow the developments, it is clear that international trade will be revolutionised in the near future. Some of the new innovations that are disrupting the international trade landscape globally include:

- (a) *Blockchain Technology* that is used to seamlessly facilitate payments of trade transactions called Letters of Credits;
 - (b) *Artificial Intelligence and Machine learning* that is used for e-commerce to translate languages and respond to queries in the preferred language, manage the truck traffic at the ports, and also to optimise routes for trade shipping;
 - (c) *Trading Service via Digital Platforms* which connects sellers and buyers virtually. Goods and services are exchanged with ease without physical interaction;
 - (d) *3D Printing* which allows computers to process material for manufacturing purposes; and
 - (e) *Mobile Payments* are changing methods used by buyers to connect to the markets.
5. These new global developments in international trade environment propels nations to promote seamless movement of goods and services; efficient, transparent and predictable trading environment; internationally accepted norms and standards; and “Just In Time” delivery of products from manufacturer to the consumer.

Distinguished Ladies and Gentlemen,

6. SACU is not spared from the impact of these global developments. However, the current reality is that Trade Facilitation Stakeholders are still seized with complex and burdensome procedures; high transactional cost of trade, excessive documentary requirements, lack of predictability, transparency, and lack of inter-Agency coordination.

7. Globally, the Ease of Doing Business Index by the World Bank provide a ranking of 190 countries over time. Currently the ranking for the SACU Member States is as follows:
 - (a) Botswana 2017 (71), 2018 (81).
 - (b) Eswatini 2017 (111), 2018 (112).
 - (c) Lesotho 2017 (100), 2018 (104).
 - (d) Namibia 2017 (108), 2018 (106).
 - (e) South Africa 2017 (74), 2018 (106).

8. The above rankings for SACU Member States reveal that there is still a lot that could be done to enhance the ease of doing business in SACU. On trading across the border indicator, targeted improvements could be done

through developing initiatives that focus on the following:

- (a) Release and clearance of goods;
- (b) Border cooperation;
- (c) Procedures on importation and exportation of goods;
- (d) Freedom of transit;
- (E) Customs cooperation; and
- (F) Development and implementation of tools such as the Time Release Study to monitor and evaluate performance constantly.

Distinguished Ladies and Gentlemen,

9. As we are aware, the SACU Customs Modernisation Programme has been the flagship Programme for Trade Facilitation in SACU. To date, it is encouraging to note the achievements and the substantive progress achieved under the WCO-SACU Connect Project.
10. I am glad to note that the following regional Frameworks were concluded under Phase II of the collaboration between the WCO and SACU, which was renamed "WCO-SACU Connect Project" in 2014:

- (a) Model Bilateral Arrangement to facilitate automatic exchange of information;
- (b) Preferred Trader Programme Engagement Strategy;
- (c) Preferred Trader Programme Training Manuals on Risk Management and Audit for Customs Officials;
- (d) Preferred Trader Programme Internal and External Manuals to guide Customs Officials and Traders on implementation of the Preferred Traders Programme;
- (e) IT Connectivity Blue Print;
- (f) IT Connectivity Utility Block "Your Export Is My Entry";
- (g) IT Connectivity Unique Consignment Reference;
- (h) Regional Customs Risk Management and Enforcement Strategy;
- (i) Regional Customs Compliance Management Strategy; and
- (j) Three (3) Joint Customs Enforcement Operations targeting alcohol, tobacco, and textile and clothing.

11. These achievements and the outcomes of the WCO-SACU Connect Project lays the foundation to strengthen collaboration and cooperation on Trade Facilitation in SACU.
12. In this regard, the full implementation of the regional Frameworks will lead to constant modernisation and reforms of Customs Systems, Procedures, Processes, Policies and Legislation in the SACU Member States. This will result in advance on the technological capabilities and reduction of inefficiencies related to the burdensome requirements to move goods across the borders.

Distinguished Ladies and Gentlemen,

13. In addition, the SACU Member States are currently reviewing the SACU Trade Facilitation Programme under the Work Programme of the Ministerial Task Teams. The objective of the review is to develop a Comprehensive Trade Facilitation Programme which include initiatives such as the One Stop Border Posts; Standards and behind the border issues. This therefore necessitates coordination and collaboration amongst key Stakeholders mandated to facilitate cross border trade in SACU.

14. Therefore, Customs Administrations occupy an important space in Trade Facilitation work in SACU. Thus there is need to take the opportunity to fully partake in the review of the SACU Trade Facilitation Programme to contribute towards the review of the SACU Trade Facilitation Programme to so that it responds to the cross border trade demands.
15. In conclusion, as SACU we are looking forward to receiving the outcomes of the WCO-SACU Connect Projects which SACU Member States will use as a basis to strengthen regional collaboration on Customs Modernisation. As the Secretariat we are ready to facilitate the continued implementation of the SACU Customs Modernisation Programme.
16. I am looking forward to a successful ceremony.

Thank you!