

## **SACU SECRETARIAT HOSTED THE 4<sup>TH</sup> MINISTERIAL RETREAT**

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### **PRESS RELEASE**

1. The Southern African Customs Union (SACU) Secretariat hosted the 4<sup>th</sup> SACU Council Ministerial Retreat on 21 September 2020, virtually. The Council Retreat was attended by all the Ministers responsible for Trade and Industry, and Finance in SACU Member States. It was chaired by Honourable Tito Mboweni, Minister of Finance for South Africa, who is the current Chairperson of the SACU Council of Ministers.
2. The Retreat focused on a number of topical and pressing issues for SACU which included the need to redefine a clear vision for SACU in changing global and regional landscape and developments that have an impact on SACU, as well as activities that could be prioritised for SACU going forward and their sequencing.
3. Some of the current pressing challenges that the SACU region face included: the impact of the COVID-19 pandemic on the SACU Common Revenue Pool; the imminent implementation of the African Continental Free Trade Agreement (AfCFTA); SACU's approach and its positioning in relation to industrialisation and the development of regional value chains as well as the need to strengthen SACU's productive capacity.
4. The Ministers reaffirmed their Member States' commitment to SACU's Vision, Mission and objectives. The Ministers agreed that while the discussions around the Revenue Sharing Formula (RSF) and the architecture for Tariff- setting remain at the heart of SACU, they agreed to refocus the Work Programme towards more pressing issues where there is overall convergence. These include a renewed focus on industrialisation, development of regional value chains, trade facilitation and investment promotion.
5. The Retreat further agreed that there is a need for the SACU Member States to work together through a regionally coordinated approach not only to successfully build a SACU economy that would be more resilient against future external and internal shocks, but also to have an economy that supports

industrialisation and resource mobilisation through targeted programmes and interventions.

6. In this regard, the Ministers agreed that the outcomes of the SACU Ministers of Trade and Industry engagement held on the 28<sup>th</sup> August 2020 would form the basis for cooperation on Regional Industrialisation, Investment and Export Promotion. Accordingly, the Trade Ministers underscored the importance of industrialisation in SACU and agreed on the need to adopt a common vision to advance the work on industrialisation, both in SACU and at the continental level focusing on regional value chains. At the same time, the Ministers acknowledged that regional industrialisation, investment and export promotion will require the mobilisation of substantial financial resources.
7. Cooperation amongst national Development Finance Institutions and the Private Sector will be crucially important to facilitate the movement of goods within the region, but also to finance the productive capacity of the region to produce more complex and high margin products with higher employment creation capabilities.
8. The Ministers committed to finalise a clear roadmap and strategy to advance a streamlined SACU Work Programme with concrete focus on industrialisation, development of regional values chains, trade facilitation and a regional financing mechanism within the next six months.

Issued by:

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**Ms. Paulina M. Elago**  
**Executive Secretary of SACU**