



**STATEMENT BY THE EXECUTIVE SECRETARY OF SACU**

***MR THABO DAVID KHASIPE***

**ON THE OCCASION OF**

**THE NAMIBIA REVENUE AGENCY (NamRA)**

**BREAKFAST SESSION WITH THE PRIVATE SECTOR**

**30 MARCH 2023**

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**Honourable Lucia Ipumbu, Minister of Industrialisation and Trade in Namibia;**

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

**Commissioner of Namibia Revenue Agency, Mr Sam SHIVUTE;**

**Chief Executive Officer of the Namibia Trade Forum, Ms Stacey Pinto;**

**Representatives of the Diplomatic Corps and International Organisations;**

**Distinguished Captains of Industry in Namibia;**

**Distinguished Panellists;**

**Ladies and Gentlemen;**

Good Morning!

1. Allow me from the onset, to express my gratitude to the Government of the Republic of Namibia, and specifically the Namibia Revenue Agency for organising this Breakfast Session. This is obviously an important platform for dialogue with the Private Sector on issues of common interest to all of us.
2. The engagement with the Government Agencies and the Private Sector in Namibia is the first in a series of engagements that SACU is undertaking across the region starting with Namibia today, followed by Eswatini, South Africa, Botswana, and Lesotho in April and May 2023. These sessions will culminate in a Regional AEO Engagement Session for Customs and Other Government Agencies and Private Sector to be held on the 29<sup>th</sup> to 31<sup>st</sup> May 2023, in Johannesburg, South Africa.
3. I wish to convey my gratitude to the Honourable Minister, the private sector and everyone in attendance, for taking time out of your busy schedules to attend this engagement.

## Distinguished participants

4. Globally, most economies are still recovering from one of the most disruptive and worst Pandemic of the 21<sup>st</sup> Century due to the COVID-19. Notably the pandemic has resulted in major challenges for governments, business and the public at large, such as record levels of global debt; lower economic growth forecasts; high prices for traded goods; and increasing interest rates. You will agree with me that we are not yet out of the woods.
5. On a positive note, COVID-19 Pandemic resulted in some improvements in logistics as governments, and businesses, such as shipping companies having to enhance ports management, procedures for facilitation of trade, and repurposing to be able to operate during COVID-19 Pandemic.
6. The COVID-19 Pandemic has also highlighted the inter-dependencies and linkages of the global logistics networks and supply chains. It also brought to focus the fact that supply chain can be as strong as its weakest link. This experience has thus taught

us, globally to identify the logistics and supply chain challenges and to work on common solutions.

Distinguished participants

7. In terms of SACU, I am glad to share with you that the region has prioritised Trade Facilitation and Logistics as a key component of our Strategic Plan, with focus on Industrialisation as the overarching objective for SACU underpinned by the development of regional value chains, export and investment promotion as well as the implementation of the African Continental Free Trade Agreement (AfCFTA).
8. Our five Member States; Botswana, Eswatini, Lesotho, Namibia, and South Africa have prioritised the implementation of the Flagship Projects for Industrialisation, and Trade Facilitation and Logistics to contribute to economic development of our respective Member States.
9. As you may be aware, the Authorised Economic Operator (AEO) Programme is one of our Flagship Programme for SACU Trade Facilitation and Logistics Programme. 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.

10. 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 participants

11. 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.
12. The focus under the AEO Compliance Programme was to put in place the requisite infrastructure and capacity to establish the respective National AEO Programmes. 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.
13. As of the 23<sup>rd</sup> March 2023, 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.

14. It is envisaged that full implementation of the SACU Regional AEO Programme will contribute significantly towards industrialisation to enable the region to achieve the following expected results:
- (a) improved administrative efficiencies;
  - (b) reduction of time and cost associated with cross-border trade;
  - (c) improved compliance and security of the supply chain; and
  - (d) enhanced competitiveness of the firms that are accredited.
15. 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 of which Namibia has only one.

Moving forward, Distinguished participants,

16. The next plan for the AEO Programme is to have the accredited operators recognised 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.

17. I wish to implore our Namibian business community to take advantage of this unique programme and apply for accreditation to maximize on the identified benefits. The programme will also better position our private sector to be more competitive and help maximize the opportunities accruing from the AfCFTA.
18. Drawing on the lessons learnt under the Member States' AEO Compliance Programmes, the region further developed a three-tiered Regional AEO Programme that include all pillars for AEO - compliance, safety, and security.
19. The three- tiered Regional AEO Programme was approved by the Council of Ministers in June 2022 as follows:



**Tier 1:** an entry level at a regional level, designed to facilitate and attract Small Micro, and Medium Enterprises to embark the journey towards AEO status. The same requirements are applied, but the process is simpler and faster, and based on self-assessment.

**Tier 2:** a transition level of existing accredited Authorised Economic Operators under the Compliance Programme (the 174 AEOs stated in paragraph 2.2. above). It will be a temporary tier used until all have been transitioned to the full AEO status under Tier 3.

**Tier 3:** includes the full AEO status which offers compliance and safety, and security.

20. Whilst we will be rolling 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.

With these remarks, I also wish to note that:

21. The SACU Secretariat will co-host with the South African Revenue Services, the Regional Session at Emperor's Palace, in Johannesburg, on the 29<sup>th</sup> to 31<sup>st</sup> May 2023 as I have already mentioned earlier. I wish to extend this invitation to all of you and other Private Sector Stakeholders that are not present today. We will send formal communication inviting you to participate at this event and we are counting on your usual support.

I Thank You!