



**REMARKS BY THE EXECUTIVE SECRETARY ON THE OCCASION OF THE
VISIT BY HIS EXCELLENCY, DR NANGOLO MBUMBA, VICE PRESIDENT
OF THE REPUBLIC OF NAMIBIA TO THE SACU SECRETARIAT**

2ND MARCH 2022

1. Your Excellency Dr Nangolo Mbumba,
Vice President of the Republic of Namibia,

2. Hon. Dr Peya Mushelenga,
**Minister of Information & Communications
Technology**

3. Hon. Verna Sinimbo,
Deputy Minister of Industrialization & Trade

4. Hon. Heather Sibungo,
Deputy Minister of Environment, Forestry & Tourism

5. Hon. Maureen Hinda-Mbuende,
Deputy Minister of Finance

6. Hon. Hamunyera Hambyuka
Member of Parliament

7. Hon. Dr Tobie Aupindi
Member of Parliament

Senior officials of the Government of the Republic of Namibia,

Members of the media,

Colleagues at the secretariat

Ladies and gentlemen,

A very good morning

1. Allow me at the onset, to express our sincere appreciation and extend a warm welcome to you, Your Excellency and your delegation to the SACU Headquarters. We thank you for taking time off your busy schedule, to visit the SACU Headquarters to familiarise yourself with our operations and discuss issues of mutual interest.
2. We are deeply humbled by your visit, which follows similar high-level visits by His Majesty, King Mswati III of the Kingdom of Eswatini; His Excellency President Ian Seretse Khama, former President of the Republic of Botswana; and recently, His Excellency Dr Mokgweetsi Eric Keabetswe Masisi, President of the Republic of Botswana, who visited the Secretariat in 2017, 2018 and 2020, respectively. We hope that we will be honoured with more similar visits in the future, especially by the Government of the Republic of Namibia, as our gracious host country.
3. Your Excellency, I am joined in this meeting by the Secretariat's Executive Committee, and senior management staff who are responsible for ensuring the effective management of the operations of the Secretariat. They will introduce themselves later in the programme.

Your Excellency, Honourable Ministers,

4. Our mandate as the Secretariat involves the day-to-day administration of SACU as well as the coordination and monitoring of the implementation of all decisions of the institutions of SACU, namely Summit, Council and the Commission. To that end, I am pleased to inform you that we have a highly talented and dedicated team that continues to work hard to ensure that the Secretariat's mandate is fulfilled through the timely and effective implementation of the SACU Work Programme as guided by the decisions of the Council of Ministers and Summit.

5. The Secretariat is currently focusing on the implementation of the Refocused Work Programme which prioritises Industrialization as SACU's overarching objective. This is to be attained through four distinct priorities, namely:
 - a. the development of regional value chains, investment attraction and export promotion;
 - b. Financing for Industrialization;
 - c. Trade facilitation and logistics; as well as
 - d. the implementation of the African Continental Free Trade Area (AfCFTA).

6. Through industrialisation, SACU seeks to deepen regional economic integration through the development of regional value chains. In this regard, SCAU Member States have also adopted a vision for industrialisation which reads as follow: seeks ***“to build a diversified, competitive, sustainable and equitable industrial***

base that supports structural transformation and the economic integration of the SACU region”.

7. To attain this vision, 3 priority sectors, including sub-sectors, that will underpin the region’s industrialisation objectives have been selected. These are:
 - (a) Agro-Processing (Leather and Leather products, Meat and Meat products, Fruits and Vegetables);
 - (b) Textiles and Clothing; and
 - (c) Pharmaceuticals, Cosmetics and Essential Oils.

8. These priority sectors were selected as a result of their potential to benefit the region in terms of value addition, employment creation, as well as their overall contribution to economic development, amongst others.

9. To date, we have successfully convened Sectoral Roundtables in these priority sectors, which in turn will culminate in a hybrid Ministerial Investment Roundtable which is scheduled to take place on 12-13 April 2022, in Gaborone, Botswana; under the theme *“Positioning SACU as an industrial, investment, manufacturing and innovation hub for the African Continent and beyond”*. The Roundtable forms part of the key deliverables in the broader SACU Industrialisation, Export and Investment Promotion; and the Trade Facilitation and Logistics Programme.

10. Its objective is to showcase and profile the region’s development potential as well as investment and export opportunities in the

targeted priority sectors. It will also provide the private sector and industry players a unique opportunity to engage SACU Trade Ministers and policy makers on measures and possible interventions that will enable the development of cross-border value chains so as to take full advantage of the market access opportunity presented by the AfCFTA. The participation at the Roundtable is expected to include the private sector, policy makers and potential investors from the SACU region and beyond.

Your Excellency,

11. In the area of Trade Facilitation and Logistics, the SACU seeks to create a seamless trade environment for cross-border movements. This will be done through the application of innovative and emerging technologies to streamline processes, enhance collaboration, whilst also detecting and deterring illicit trade in goods within the Common Customs Area. It will also address obstacles and hindrances facing businesses that are moving goods across the borders in the Common Customs Area and beyond. The goal is to develop trade facilitation solutions that are practical, transformational, measurable, and geared towards enhanced efficiency and reduced transaction costs.
12. Ultimately, the SACU Trade Facilitation and logistics Programme is expected to achieve the following results: (i) improved administrative efficiencies; (ii) reduction of time and cost associated with cross-border trade; (iii) improved compliance and

security of the supply chain; and (iv) enhanced competitiveness of the SACU Member States.

13. With regards to the AfCFTA, the implementation of the AfCFTA is a major priority for SACU as it underpins the region's aspirations towards integration into the Continental market. The AfCFTA also seeks to unlock SACU's market diversification and sourcing of inputs to enhance its industrial capacity. Furthermore, the implementation of the AfCFTA as is the case with the industrialization ambitions should help to support the post-COVID-19 economic recovery efforts for the region.

14. At this stage, our priority is the finalisation of the outstanding issues under Phase I of the negotiations. These include the Rules of origin and Tariff Offers to match the adopted Tariff Liberalisation modalities. SACU has submitted its initial tariff offer to the AfCFTA containing 77 percent of the SACU tariff book. We are now working to conclude the offer that meets the 90% level of ambition. To this end, our experts are around the clock to finalize regional consultations in March 2022. The AfCFTA comes with good opportunities for our businesses to access one of the biggest markets with a market of 1.3 billion people and a combined GDP of \$3.4 trillion. For SACU, the key is to position ourselves as an industrial and manufacturing hub to take advantage of the opportunities presented by the AfCFTA.

15. On the Institutional Front our Council or ministers supported by the Commission has continued to execute its duties through quarterly meetings. We plan to convene the 7th SACU Summit in June 2022, in Botswana, for the Heads of States and/or Government to receive a progress report on the implementation of the Refocused Work Programme alluded to earlier. The Summit will also consider the SACU Strategic Plan and Organisational Structure, that are currently being developed and expected to be presented for consideration and approval by the Council of Ministers by the end of March 2022.

16. Your excellency will recall that for years we have attempted to review the Revenue Sharing Formula among other difficult matters in the Union. We achieved limited progress due to fundamental disagreements amongst Member States. As such the SACU Council, in its wisdom, chose to refocus the work programme on those issues that will enhance cooperation and would propel our development aspirations. I can confidently say that the work we are implementing now, focusing on industrialisation, indeed represents notable progress and attainable development prospects for our Union. Their successful conclusion will certainly create the necessary momentum to further deepen regional integration and stimulate growth through the development of regional value chains as well as creating a conducive trading environment.

Your Excellency,

17. Besides the implementation of the refocused Work Programme, I wish to highlight that SACU also continues to pursue trade

negotiations with third parties as a block under Article 31 of the SACU Agreement, 2002. Our trade agenda and goals of strengthening trade relationships with strategic partners has continue to keep out trade negotiators busy over the years and most recently with the negotiations of the AfCFTA as alluded to earlier. My colleagues will shed more light later in our discussion.

18. One of the key components of the SACU Agreement is the collection and distribution of Revenue among members through the application of the Revenue Sharing Formula. As you may be aware, as former Finance Minister, SACU revenue is a major contributor to Government revenue in the BELN. Their shares ranges from an average of 24% to 40% as a percentage of Total Government Revenue for the BELN compared to South Africa receipts of 3%. The COVID 19 has had a devastating effect on the Common Revenue Pool (CRP) which is a critical source of revenue for most of the Member States. As a result, the CRP has declined by 26% during the peak of the pandemic (2020/21), which is significant.

19. Your Excellency, the pandemic has had challenges, but we have also used it to enhance our operational environment such that all our regional meetings and engagements have continued to be undertaken virtually. Whiles this has removed the benefit of face-to-face engagements, it has also greatly contributed to massive cost savings for the Secretariat. We have also introduced ICT applications and tools as a way to contain the spread of COVID-19 among our staff but also to enhance our operations. We are proud

of the way we continue to manage and engage our Member States and continue to implement our programmes with minimal disruptions.

20. Let me conclude my remarks by observing that the SACU's refocused agenda is not only set to position the Union to take advantage of the AfCFTA, but it is also designed to contribute to and address key fundamental development challenges that have been brought about by the Covid-19 pandemic. It therefore requires full dedication and effective implementation by all Member States. The stark realities brought about by the pandemic requires multiple interventions to resuscitate our economies. These however cannot be achieved at national level alone. Through regional integration and cooperation, much more can be done and achieved, and I believe this is critical for smaller economies such as Namibia whose production capacity is limited yet whose market extends beyond geographic borders. Hence the importance of regional integration arrangements such as SACU.
21. Your Excellency these are the key highlights of our Work Programme. The details will be shared with you during our discussion that will follow.
22. Finally, I wish to acknowledge with thanks, the support and cooperation that the Secretariat continues to receive from the Government of Namibia as the host country.

23. We are most grateful as this had made our work and operations much easier. Allow me also to once again to thank you most sincerely, for blessing us with your visit this morning.

24. I thank you.

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