REGIONAL INTEGRATION GEOGRAPHY
WITHIN THE SOUTHERN AFRICAN
CUSTOMS UNION (SACU)-
THE WAY FORWARD

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In spite of progress made over the years, there are a number of challenges that still remain. These includes;

- Lack of common institutions
- Lack of common policies
- Unbalanced and differentiated level of development
- Low levels of diversification and low and unbalanced intra-SACU trade.
- Member States capacity to produce tradables is yet another critical challenge within SACU;
- The recent global economic crisis has also contributed to the challenges experienced by SACU
The New Vision

“To be an economic community with equitable and sustainable development, dedicated to the welfare of its people for a common future” Adopted by Heads of State and Government (HOSG), April 2010

What does it mean to be an Economic Community?

• Defining principles include-CET, Common Customs territory, free movement of labour & capital
• It is the step in the linear model of regional
• Moving towards an Economic Community means further deepening regional integration and thus a broader integration agenda that may include services, government procurement, regional competition policy, Investment
New SACU Work Programme

• **Five** priority areas in SACU’s work programme. These are;
  
  • Regional Industrial Development Policy;
  • Trade Facilitation;
  • Review of Revenue Sharing Arrangement;
  • Establishment of Common Institutions;
  • Building a framework for unified engagement in trade negotiations with third parties

**Expected Outcomes from this Work Programme**

• Consolidation of SACU in line with the 2002 SACU Agreement
• Mutually beneficial and equitable intra-regional trade
• Clear guidelines on unified engagement with third parties in line with Art. 31 of 2002 SACU Agreement.
Further deepening of Regional Integration in SACU

• The new work programme vs. new generation trade issues,

• However, there has been general interest the world over to open discussions on these issues, e.g.;
  • SACU-EFTA FTA –Article 26, 27, 28, 29 (evolutionary clause)
  • SADC EPA-EC Negotiations- Services Chapter
  • COMESA-EAC-SADC Tripartite negotiations-Article 30
  • SADC –Trade in Services Protocol

Critical Issues:-

• What will be SACU’s position on these issues going forward? Should each Member State decide on their own based on their interests as is the case in the EPA negotiations?

• In order to address the key challenges of regional industrial development, is there no scope for interaction between services and industrial development to achieve competitiveness?
Way forward

In order to achieve sustainable, equitable and balanced growth for all Member States;

• SACU has to fast track the implementation of this new work programme;

• SACU has to seriously consider integrating the deeper integration agenda into its work programme;

• SACU develops should develop clear guidelines on accession of new Members in line with article 6;

• SACU has to identify and build cross border complementary value chains;

• SACU has to develop a common understanding on the direction of future trade relations with third parties, i.e. what's in it for each Member State;
THANK YOU

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