

# SOUTHERN AFRICA TRADE HUB



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

Reginald Selelo

09/09/2011



**USAID**  
FROM THE AMERICAN PEOPLE

**SOUTHERN AFRICA**

# SACU at 100 years- Challenges

- 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



**USAID**  
FROM THE AMERICAN PEOPLE

**SOUTHERN AFRICA**

# 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



**USAID**  
FROM THE AMERICAN PEOPLE

**SOUTHERN AFRICA**

# 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.



**USAID**  
FROM THE AMERICAN PEOPLE

**SOUTHERN AFRICA**

# 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?



**USAID**  
FROM THE AMERICAN PEOPLE

**SOUTHERN AFRICA**

# 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 ;



**USAID**  
FROM THE AMERICAN PEOPLE

**SOUTHERN AFRICA**

# THANK YOU

Reginald Tebogo Selelo

USAID Southern Africa Trade Hub

P.O. Box 602090, Gaborone, Botswana

Tel: +267 390 0884, Fax: +267 390 1027

Mobile: +267 72101992

E-mail: [rselelo@satradehub.org](mailto:rselelo@satradehub.org)

[www.satradehub.org](http://www.satradehub.org)



**USAID**  
FROM THE AMERICAN PEOPLE

**SOUTHERN AFRICA**