



MINISTRY OF FINANCE  
REPUBLIC OF SOUTH AFRICA

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## MEDIA STATEMENT

### **FINANCE MINISTER CHAIRED THE JOINT VIRTUAL MEETING OF FINANCE AND TRADE MINISTERS OF THE SOUTHERN AFRICAN CUSTOMS UNION (SACU)**

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South Africa's Minister of Finance, Mr Tito Mboweni, chaired the 4<sup>th</sup> joint Finance and Trade Ministers' virtual Ministerial Retreat meeting on 21 September 2020. The Ministers agreed on refined development priorities for the Southern African Customs Union (SACU) within the changing global and regional developments that have impacted on the Union; as well as agreed on activities that could be prioritized for SACU going forward and their sequencing.

Ministers observed that much disagreement remains around issues involving the Revenue Sharing Formula (RSF) and Tariff Setting architecture, respectively. However, in the spirit of unity, they were unanimous that specific attention should be put on those issues that propel SACU forward.

The Ministerial Retreat noted:

- The long-term impact of the COVID-19 pandemic on the SACU common resource pool
- Agreed to work jointly to implement the African Continental Free Trade Agreement (AfCFTA)
- That SACU's development trajectory should be anchored on a clear industrialization path that provides for the development of regional value chains to strengthen SACU's productive capacity.

As a result, there was strong support for SACU Member States to work together through a regionally coordinated approach to advance industrialization, trade market access regionally and continentally, and to strengthen resource mobilization. In this regard, the Retreat reaffirmed the outcomes of the SACU Ministers of Trade and Industry of 28 August 2020 as forming the basis for cooperation for regional industrialization, investment and export promotion. At the same time, Ministers acknowledged that a trade and industrialization agenda would require the mobilization of substantial financial resources.

Going forward, SACU must design appropriate and effective financing instruments by mobilizing the national Development Finance Institutions (DFIs) and private sector enterprises within the region to finance this vision. The role of the private sector

through collaboration with regional business chambers for improving the business environment was also highlighted.

Ministers committed to finalize a clear roadmap and strategy within the next six months and to advance a streamlined SACU work programme through efficient institutional processes.

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