

## BUSINESS CONCERNED FOR THE FUTURE OF SACU

### PRESS STATEMENT BY BUSINESS UNITY SOUTH AFRICA

Business Unity South Africa (BUSA) is extremely disappointed with recent developments in the Economic Partnership Agreement (EPA) negotiations between the European Union (EU) and the SADC EPA Group countries. "These negotiations have been difficult from the outset," said Mr Jerry Vilakazi, Chief Executive Officer of BUSA. "The divisions that have been caused in the region, and in the Southern African Customs Union (SACU) in particular, are of serious concern for the private sector."

BUSA has been following the EPA negotiations closely and has expressed frustration with the lack of transparency and communication around key issues since the interim Agreement was initialled by some countries in November 2007. The EU is an important economic partner and the EPA provided an opportunity for the region to rationalise its trading regime with the EU. BUSA believes that this opportunity has been undermined. The result is now a very real threat to SACU and plans for deeper economic integration of the Southern African Development Community (SADC).

"While we acknowledge the realities that led Botswana, Lesotho and Swaziland chose to sign the interim agreement last week, we remain concerned," said Mr Vilakazi. "In these difficult economic times it is imperative for developing countries to secure export markets but it is



worrying that this step was taken without resolving the fundamental issues raised by South Africa, Namibia and Angola. Little thought seems to have been given to the practical implications of having different trade agreements for members of a customs union."

There is still some time before the EPA enters into force as it will need to be ratified by all the parties. BUSA calls upon the governments of the region to make urgent efforts to come together and find a way forward that does not result in the dissolution of SACU. "We believe that there is still a chance to salvage this situation and we are prepared to work with the negotiators to ensure a result that not only protects the trading relationship with the EU but that makes a positive contribution to regional integration," concluded Mr Vilakazi. BUSA members will be discussing this issue, among others, with the Minister of Trade and Industry, Dr Rob Davies, on Monday 15 June.

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