

## **SADC pushes towards Customs Union**

The 30th Summit of Heads of State and Government of the Southern Africa Development Community (SADC) closed on Tuesday, 17 August 2010, with an affirmation to consolidate timelines for the establishment of the Free Trade Area (FTA) and speeding up preparations towards a Customs Union.

In a communiqué issued at the end of the two-day summit, which was attended by 14 Heads of State including President Jacob Zuma, the leaders said they remain unshaken and committed in the establishment of Customs Union which they say will help deepen regional integration.

With regards to the Free Trade Area, which will enable easier trade among member states by easing time spent at border posts through the establishment of one-stop border posts, the summit adopted comprehensive work programme with concrete actions and timeless.

### **First step**

The launch of the FTA is seen the initial step in the trade integration trajectory, and will move the regional bloc incrementally towards establishing a Customs Union which was set for 2010, a Common Market by 2015 and a Monetary Union by 2016. A regional central bank and a common currency are expected in 201

However, to date, only 11 out of 15 SADC Member States have joined the protocol for the creation of this FTA.

During the summit a high-level expert group was appointed to look at how the Customs Union can be speeded up. The team are expected to report back to the SADC by December 2011.

"The main mandate of this group will be to consolidate and refine technical work so far done in order to reach agreement and common understanding of parameters, benchmarks, timelines, a model customs union and its implementation modalities," reads the communiqué.

### **Membership challenges**

However, country membership overlaps exist in SADC, COMESA and EAC - with all three organisations wanting to be part of this customs union. This situation presents technical challenges as a country cannot belong to more than one customs union.

With regards to other economic challenges in the region, the leaders noted the adverse social-economic effects of the global economic crisis on the region. As a result, they have resolved to hold an extra ordinary summit on economic development.