



**REPUBLIC OF NAMIBIA**

**STATEMENT BY**

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**MINISTER OF INDUSTRIALISATION TRADE AND SME  
DEVELOPMENT**

**ON THE SACU, MOZAMBIQUE AND UK ECONOMIC  
PARTNERSHIP AGREEMENT**

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**NATIONAL ASSEMBLY**

**Honourable Speaker,**

**Honourable Members of the National Assembly,**

I rise to introduce and table for the purpose of sharing information to the Honourable Members an update on the controversial Brexit debate and discussions we are all following in the press, on NBC Programmes and international TV News networks.

Following the UK referendum of 23<sup>rd</sup> June 2016, in which 52% of votes cast were in favour of leaving the EU, the UK Government invoked Article 50 of the Treaty on European Union on 29<sup>th</sup> March 2017. Accordingly, this trigger put the UK on a course to leave the EU by the 29<sup>th</sup> March 2019. The latest development in the EU Parliament the UK is guaranteed an extension to the 31<sup>st</sup> October 2019, this gives the Prime Minister ample time to negotiate an exit deal to be acceptable to the UK Parliament. However, it should be noted that this extension could be terminated if the UK does not participate in the EU Elections.

In light of these developments, SACU, Mozambique and the UK initiated a process for a dialogue to ensure continuity and predictability in their trade relations.

The 1<sup>st</sup> SACU-UK Ministerial round-table discussion held on 19<sup>th</sup> July 2017 in Johannesburg, South Africa agreed that the immediate focus would be to roll-over the current EU-SADC-EPA [with its Annexes and Protocols] to avoid trade disruption. This process would require textual amendments to the EU-SADC EPA to reflect the new context, trade relations and institutions to ensure a functional SACU, Mozambique and UK Economic Partnership Agreement [SACUM-UK EPA].

**Honourable Speaker,**

**Honourable Members,**

To date, a number of engagements have been held with the UK to agree on a framework for a future trade agreement with SACU and Mozambique. The Parties made substantive progress towards the conclusion of the SACU, Mozambique and UK Economic Partnership Agreement. However, the Agreement could not be concluded due to fundamental policy differences, potentially undue compromise on SACU Member States and Mozambique's policy space that may affect future trade negotiations with future trade partners.

Meanwhile, the UK Government published its 'no-deal' trade plan after the UK Parliament voted against the EU-UK Withdrawal Agreement on 12<sup>th</sup> March 2019. The Plan states that [eighty-seven] 87 percent of imports would be eligible for duty free market access into the UK.

However, tariffs would be maintained on [four hundred and sixty-nine] 469 tariff lines to protect certain industries. A number of these lines are products of export interest to SACU and Mozambique.

**Honourable Speaker,**

**Honourable Members,**

Agricultural products, which Namibia has an export interest in, would however attract a duty, and in the case of Bovine Meat [Beef], annual or Tariff Rate Quotas [TRQ] volume amounts would apply, which means once the quotas are depleted, a duty will apply. By implication, the UK would be using a mixture of tariffs and quotas on beef, lamb, pork, poultry and some dairy to protect its farmers from imports. Table grapes, however, do not appear on the tariff regime list. Based on an initial assessment, Namibia may not be able to export bovine meat, sheep and goat meat competitively under the WTO Most Favoured Nation, [general rates of customs duty applicable to all WTO Members], conditions to the UK.

The UK is set to leave the EU, and given the fact that SACU, Mozambique and the UK have not yet concluded negotiations, it is almost inevitable that there will be trade disruptions between SACU, Mozambique and UK, if the UK leaves the EU without a deal.

In light of this, it may be necessary for Namibia to prepare to trade on the WTO basis of Most Favoured Nation with the UK. Namibia's potential loss to the meat industry, depending on the price of entry into the UK, could be in the vicinity of around NAD25-50 million per annum. The affected commodities are; fresh or chilled bovine meat boneless and frozen bovine boneless.

**Honourable Speaker,**

**Honourable Members,**

In conclusion, it is also important to note the developments within the UK as these have implications on the SACU Mozambique and UK Economic Partnership Agreement dialogue. A no-deal scenario would, therefore, result in a systemic economic risk for both Parties.

**Honourable Speaker,**

**Honourable Members,**

I am following with keen interest the interesting developments in the Brexit Negotiations and if necessary, I may return to this August House to inform the Honourable Members with the latest developments as far as Brexit is concerned and how Namibia is affected in this regard.

I submit!