



**REPUBLIC OF NAMIBIA**  
**MINISTER OF INDUSTRIALISATION TRADE AND SME**  
**DEVELOPMENT**

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

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**MEDIA RELEASE**

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The Minister of Industrialisation, Trade and SME Development, Hon. Tjekero Tweya updated the National Assembly yesterday, Wednesday, 24<sup>th</sup> April 2019, about the current Brexit debate and discussions Namibians are all following in the press, on NBC Programmes and international TV News networks to understand and appreciate the implications thereof.

“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,” Minister Tweya mentioned. He said this trigger put the UK on a course to leave the EU by the 29<sup>th</sup> March 2019. The latest developments in the EU Parliament, the UK is guaranteed an extension to the 31<sup>st</sup> October 2019, giving the British Prime Minister, Theresa May, ample time to negotiate an exit deal to be acceptable to the UK Parliament. However, the extension could be

terminated if the UK does not participate in the EU Elections, the Minister informed Members of Parliament. Tweya continued that 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 Minister of Industrialisation, Trade and SME Development continued that 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.

That process, according to Tweya, required 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].

The Minister added that a number of engagements had 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," Tweya stated.

The Trade Minister further mentioned that 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,” Tweya said.

Agricultural products, which Namibia have an export interest in, would however attract a duty, and in the case of Bovine Meat [Beef], annual or Tariff Rate Quotas volume amounts would apply; meaning once the quotas were depleted, a duty would apply. This means that 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,” Tweya informed the National Assembly

He added that the UK was set to leave the EU, and given the fact that SACU, Mozambique and the UK have not yet concluded negotiations, it was almost inevitable that there would be trade disruptions between SACU, Mozambique and UK, if the UK leaves the EU without a deal, the Minister stated.

Tweya said: “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,” he confirmed.

“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,” Tjekero Tweya, Minister of Industrialisation, Trade and SME Development concluded his briefing in the National Assembly yesterday.

**ISSUED BY THE CORPORATE COMMUNICATION SUBDIVISION OF  
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