



SACU Since 1910

SOUTHERN AFRICAN CUSTOMS UNION

**Activities in the field of trade statistics
UNSD-SACU IMTS Workshop
Johannesburg, South Africa,
12-15 June 2012**

Member States: Botswana, Lesotho, Namibia, South Africa, and Swaziland

Background

- The Southern African Customs Union (SACU) consist of Botswana, Lesotho, Namibia, South Africa and Swaziland.
- SACU was established in 1910, making it the world's oldest Customs Union still in operation.
- In the establishment of a Custom Union, a key decision was made on the mechanism for the collection and distribution of revenue from trade taxes.
- Part Six of the 2002 SACU Agreement establishes a Common Revenue Pool consisting of all customs, excise and additional duties collected in the Common Custom Area

Background

- Part Seven of the Agreement provides a formula for the determination of the respective shares of each Member State out of the Common Revenue Pool.
- The Revenue Sharing Formula has three distinct components:
 - The customs component that uses intra-SACU trade data
 - The excise component that use GDP
 - The development component that uses GDP per capita

Cross Country Data Comparability

- The SACU Agreement states that each Member State shall submit actual data of intra-SACU trade for the most recent financial year to the Secretariat at least six months prior to the beginning of the financial year.
- The integrity of the trade data is important in the determination of Member States' customs share of the Common Revenue Pool.
- Thus, trade data submitted by Member States is reconciled before it is used in the Revenue Sharing Formula.

Cross Country Data Comparability

- The purpose of this reconciliation is to match imports of one Member State with Exports on the corresponding member, and if discrepancies exist, they are identified and explained, and ratified.
- This annual exercise also provides a unique platform for Member States in assessing the accuracy of trade statistics.

Studies Undertaken

- In 2006, United Kingdom HM Revenue & Custom were commissioned :
 - To develop and implement a methodology for reconciliation
 - To harmonize data compilation processes
 - To provide transparency on data sources
 - To ensure data integrity
 - To devise a methodology for the publication of data
- One of the recommendation that arose from this exercise was the development of a Data Integrity Minimum Standard that defines controls and tests to identify and correct inaccurate data prior to submission of the data.

Studies Undertaken

- The standard aims to improve the integrity of the data and reducing requirements for post clearance testing.
- Compliance audits were undertaken by the Secretariat between October 2010 and February 2012.
- The outcome of the audits show that MS have put in place the generic controls that are defined in the standard, with exception of Lesotho that does not have automated custom system.
- Possible causes of differences among the MS are:
 - Coverage, Commodity classifications, Data errors, Country classification, Valuation, Timing, and Omissions.

Studies Undertaken

- In 2009, Council noted the absence of timely and reliable trade data in SACU and thus commissioned a study to assess trade data limitations in Member States.
- The study was undertaken in 2011 and an Action Plan on the improvement of collection, compilation and dissemination of trade data was approved by Council in March 2012. Implementation of the Action Plan is underway.

Studies Undertaken

- The objectives of the Action Plan are
 - Technical support for users of eurotrace software
 - Harmonised classifications
 - Harmonised valuation methods (CIF)
 - Harmonised methods and procedures on the valuation of second hand cars
 - Compilation of quantity data
 - Capacity building in compilation of IMTS
 - Maintenance of SACU statistical database
 - Develop a trade data release calendar in Member States

THANK YOU