

South African Customs Union

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Southern African Customs Union Latest News

India and the five-member Southern African Customs Union (SACU) recently signed the Terms of Reference (ToR) to start negotiations for a Preferential Trade Agreement (PTA), with an aim to conclude the trade talks within a year.

About Southern African Customs Union

- It is an **African regional economic organization**.
- It is the **world's oldest customs union**, which was established in **1910**.
- **Member countries: South Africa, Namibia, Botswana, Lesotho, and Eswatini** (formerly Swaziland).
- The SACU **Secretariat** is located in **Windhoek, Namibia**.
- The five member states maintain a **common external tariff, share customs revenues, and coordinate policies** and decision-making on a wide range of trade issues.
- Like other customs unions, a key feature of SACU is the application of a **single tariff regime – the Common External Tariff (CET)**.

- This means the member states form a **single customs territory** which provides for a **free movement of goods** where **tariffs** and other barriers are **eliminated** on all trade **between them**.
- The **CET applies to goods imported from all territories** that are **not members of SACU**.
- **South Africa** accounts for around **91 percent** of the **bloc's total economic output** and is India's largest trading partner within the grouping.
- **SACU countries** are also **part of the Southern African Development Community (SADC)**, together with Angola, the Democratic Republic of Congo, Malawi, Mozambique, Tanzania, Zambia, and Zimbabwe; as well as the island nations of Mauritius, Seychelles, Comoros, and Madagascar.

News: NIE

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