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REPORT OF THE SUB-REGIONAL MEETING ON ECONOMIC  
CO-OPERATION IN EAST AFRICA

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CO-OPERATION IN EAST AFRICA

(Lusaka, 26 October - 2 November 1965)

A. ORGANIZATION AND ATTENDANCE

1. The Sub-regional Meeting on Economic Co-operation in East Africa met in Lusaka, Zambia, from 26 October to 2 November 1965, in accordance with the decision taken at the seventh session of the Economic Commission for Africa in its resolution 142(VII), which recommended to the Member States "to set up at an early date, at the sub-regional level, inter-governmental machinery responsible for the harmonization of economic and social development in the sub-region, taking into account the experience of similar institutional arrangements inside and outside Africa".
2. The documents presented to the meeting were prepared by the secretariat of the ECA and its consultants including experts put at the disposal of the ECA by certain donor countries under bilateral agreements.
3. Mr. N. Nalilungwe, (Zambia) was elected Chairman of the meeting. Two committees were established: Committee I under the chairmanship of Mr. L. Lubowa (Uganda) dealing with Parts I and III of the Agenda; and Committee II under the chairmanship of Mr. J. Tembo (Malawi) for Part II of the Agenda. Each Committee submitted a report for adoption by the plenary.
4. The meeting was attended by delegates from the following member countries of the sub-region: Burundi, Ethiopia, Kenya, Malawi, Rwanda, Tanzania, Uganda and Zambia. Observers from the following member and associate member countries attended the meeting: Congo (Leopoldville), France, Mauritius, Rhodesia and United Kingdom. Observers were also present from the following countries: Austria, Belgium, Czechoslovakia, Finland, Federal Republic of Germany, Hungary, India, Israel, Italy, Japan, Mexico, Netherlands, Sweden, United States of America, Union

of Soviet Socialist Republics and Yugoslavia. The following specialized agencies were represented: FAO, ICAO, ILO, UNESCO, WHO and UNTAB. Also present were EACSO, OAU. The list of participants is attached as Annex I.

5. The provisional Agenda prepared by the secretariat was examined in plenary session and adopted as presented. The Agenda as adopted is attached as Annex II.

6. The meeting was opened on 26 October 1965 by Dr. Kenneth Kaunda, President of the Republic of Zambia, whose statement is reproduced in Annex III. Opening statements were also made by Mr. T. Mboya, Chairman of the Seventh Session of the ECA and by Mr. R.K.A. Gardiner, Executive Secretary of the ECA and by Mr. Claude Segbenou representative of the Administrative Secretary-general of the OAU. These statements are reproduced as Annexes IV and V and VI respectively.

7. At its plenary sessions on 29 October, the meeting adopted unanimously the resolution taken by Committee I relating to the Economic Community of Eastern Africa and the resolutions taken by this Committee relating to: A Common Airline for East Africa; Agriculture; Telecommunications; Transport; Trade; Tourism; Technical and Professional Manpower; Maritime Transport; Payments; Natural Resources and Permanent Secretariat. The texts of these resolutions are reproduced as Annex VII.

8. At its closing session on 2 November, the meeting adopted unanimously the reports of Committees I and II, and the resolutions taken by Committee II relating to: Industrial Co-ordination; Radio Industry; Industrial Research; Standardization; Small Industries Development; Request to UN Special Fund concerning a sub-regional project for the exploitation of Methane Gas contained in Lake Kivu (Rwanda); Copper Processing Industry; Domestic Savings; Congratulations to the officers of the meeting; Congratulations to the secretariat and the East African Sub-regional Office; and a Vote of Thanks to H.E. Dr. K. Kaunda and the people and Government of Zambia. The meeting also adopted unanimously the resolutions put forward by Committee I relating to technical assistance and co-ordination of National Development Plans. The reports

of the two Committees have been integrated into the text of the present report. The texts of resolutions are reproduced in Annex VII.

Statements at the closing session were made by the representatives of France, India, Israel, United Kingdom, United States of America and Union of Soviet Socialist Republics. The representatives of the capital-exporting countries promised to provide material and technical support for the successful implementation of the aims of the proposed Economic Community of East Africa. On behalf of the specialized agencies, the representatives of the Food and Agriculture Organization, the International Labour Organization and the United Nations Educational, Scientific and Cultural Organization also gave assurances of close co-operation.

## B. ACCOUNT OF PROCEEDINGS

### COMMITTEE I

#### (a) Economic integration

Committee I discussed Document E/CN.14/LU/ECOP/8 under Item 4 of the agenda. Various delegations stated that they did not have the mandate of their governments to enter into final commitments on the subject of intergovernmental machinery for economic co-operation. The discussions of the conference should aim at reaching a consensus on the main issues and agreeing on resolutions which would contain recommendations to the governments of East Africa.

Accordingly, the secretariat was asked to incorporate the relevant paragraphs of the document, with amendments agreed upon by the Committee, as a recommendation from the conference to the governments, advising them to set up an Economic Community of Eastern Africa. The secretariat was also required to prepare a draft resolution to this effect.

There was general agreement in the Committee on the need to set up a Council of Ministers as the principal body to manage the Community as proposed in Document E/CN.14/LU/ECOP/8. Views were somewhat divided on the need to have a higher body that would provide the necessary power of authority behind the Council of Ministers. It was finally agreed that means should be found for associating the cabinets and

especially the Heads of Government of member States with the major decisions of the Community, but without the need for prescribing in the Treaty periodic meetings of the Heads of Government in person as part of the machinery of the Community.

The Committee agreed that one omnibus committee, the Economic Committee proposed in Document E/CN.14/LU/ECOP/8, should be prescribed in the Treaty to service the Council of Ministers; there was no need to specify in the Treaty other specialized Committees as suggested in the document. The Council of Ministers should be empowered to set up sub-committees and ad hoc bodies of ministers or officials on the recommendation of the Economic Committee as the need arose. The Council of Ministers, as well as the Economic Committee, should also be able to call upon or co-opt other ministers or officials whose expert knowledge would be required at particular stages of the work of the two bodies.

The draft resolution (E/CN.14/LU/ECOP/C.1/1) and the draft report (E/CN.14/LU/ECOP/C.1/2) requested by the Committee were prepared by the secretariat and submitted to the Committee.

In introducing the draft resolution and draft report the secretariat called attention to the specific questions of policy and timing left to be resolved by the Committee.

The preamble and the operative paragraphs of the draft resolution were discussed seriatim and after amendments were adopted unanimously by the Committee for submission to the Conference.

The main issues discussed were how work in sub-regional economic co-operation could be started prior to the drafting and enactment of the Treaty; the time limits to be set for the governments of Eastern Africa to signify their acceptance of the recommendation to establish the Community; and the organization of an Interim Council of Ministers. It was agreed that in view of the time needed by certain governments the signification of acceptance should reach the Executive Secretary of ECA within three months.

If six or more countries have expressed their acceptance by the end of that period, the Interim Council of Ministers should be established within one further month. If, however, all the governments in the sub-region were to accept before the three months were over, the Interim Council could start to function within one month of the acceptance becoming complete.

The draft report was also discussed paragraph by paragraph and various amendments were made. It was the general view that the relevant section of the Treaty should both express the continuity of the Community and allow the member States to review its functioning and scope at intervals. It was agreed that the period of review should be every ten years, or earlier if members unanimously agree on a revision.

Regarding a Permanent Secretariat of the Community, the Committee reached consensus in the following principles: there shall be a permanent secretariat; in the initial stage, ECA should be requested to assist in setting up, staffing and running the secretariat; Lusaka should be the centre of this organization.

(b) Other elements of economic integration

The Committee examined the items Nos. 10 to 16 in Section III of the Agenda and adopted resolutions on the following subjects:

- Trade
- A Common Airline for Eastern Africa
- Transport
- Telecommunications
- Agriculture
- Tourism
- Manpower
- Maritime Transport
- Natural Resources
- Payments

In the course of discussions on the draft resolution on Transport the Observer from the Democratic Republic of the Congo made a statement

in which the attention of the Conference was called to the transport facilities offered by the Congo railway system and the ports of Albertville and Kigoma in linking Zambia with East Africa and linking the sub-regions of East and Central Africa. His government was anxious to associate itself with the work of this sub-region in transport and other fields of mutual interest.

The delegation from the United Kingdom informed the Committee of the decision recently taken by the governments of the United Kingdom and Canada to undertake a survey of the Tanzania-Zambia railway line and of the funds allocated to finance this survey.

Both statements were noted by the Committee.

#### COMMITTEE II - HARMONIZATION OF INDUSTRIAL DEVELOPMENT PROGRAMMES

##### General discussion

1. The programme of industrial co-ordination and development proposed for East Africa in various documents presented to the Conference was briefly reviewed, in the opening session, by the secretariat, prior to the discussion of the various studies. The principles used in the proposed scheme for the purpose of arriving at an equitable distribution of industries were stated. The results obtained were noted as exhaustive, useful and sufficiently practical to serve as a basis for negotiations and discussing industrial co-ordination in the sub-region.
2. It was noted that a sub-regional approach to industrial development was likely to result in a significantly faster rate of industrialization than would be the case if the process was undertaken on an isolated, country basis. The various additional sources of industrial opportunities in a sub-regional scheme were noted, although it was agreed that the additional requirements of technical and managerial personnel might be a bottleneck.
3. It was explained by the secretariat that the studies, notwithstanding the gaps, completed the pre-feasibility stage of ECA industry studies, and that this would need to be followed up, on request, by detailed feasibility studies in selected areas. Appreciation was expressed to the secretariat for the quality and volume of work achieved.

Iron and steel, mechanical and electrical engineering

4. The consultants explained the basis adopted for comparing the relative advantages of various locations for iron and steel manufacture, and the ECA representative commented on the specific plants proposed, namely, integrated plants in Rhodesia, Uganda and Zambia and re-rolling plants in Tanzania, Ethiopia and Madagascar, in accordance with a phased programme of development. Appreciation was expressed of the methods used and the ECA proposals in regard to their countries were accepted in principle by certain countries. Other delegates also welcomed the proposals which would establish an inland steel industry and so reduce transport charges. The Committee was informed of work being done in some countries, particularly Zambia, with a view to developing an integrated industry. Reference was made to the proposal to establish an iron and steel industry in Uganda. It was noted that this was not new and had been shown to be profitable. The secretariat was asked to explain why the re-rolling mill proposed for Dar-es-Salaam would only provide about one-third of the total requirements of the sub-region for sheet. It was explained that it was considered desirable to establish rolling mills of economic size in Uganda and Rhodesia as well as Tanzania. Appreciation was expressed of the flexibility of the ECA proposals in regard to a phased development of the iron and steel industry, and the consultants were asked to provide estimates of the extra capital costs that the dispersion of the industry would entail.

5. The papers on mechanical and electrical engineering were introduced at the same session (documents E/CN.14/INR/90 and E/CN.14/INR/89, respectively). Reference was made to the low scale of output considered as economic in the production of bicycles and it was explained that while factories of this size were in fact operating profitably in other countries, there would be an advantage in operating on a larger scale. It was considered that further study of the electrical engineering industry was required.

Radio manufacture

6. A short paper on radio manufacture was submitted by the Zambia delegation. The paper outlined the developments concerning the



establishment of a plant for radio manufacture in Zambia. It is anticipated that full production will commence before the end of 1966. A number of delegations informed the Committee that small plants for radio assembly were being set up in their countries. It was noted that plants were to be established in Malawi and Tanzania. The Tanzania plant will also supply the two other East African countries, Kenya and Uganda, in accordance with the Kampala Agreement. Information was given on plants in Rhodesia and Rwanda.

7. It was agreed that the ECA secretariat should be requested to undertake a study in depth on the existing and future possibilities for radio manufacture on a national and sub-regional basis.

#### Non-ferrous metals

8. The possibilities of manufacturing aluminium based on the bauxite deposits in Malawi were outlined and the delegate of Malawi said that their Government was already conducting a feasibility study to exploit these deposits. They would be glad to discuss with other governments proposals to establish rolling mills based on supplies of aluminium from Malawi.

9. The considerations involved in establishing copper fabricating plants were outlined. In the course of the discussion, the need to establish such plants both for the African market and for exports was emphasized, particularly in countries such as Zambia. The secretariat was requested to undertake in collaboration with the proposed Council of Ministers a detailed investigation.

#### Chemicals and fertilizers, petroleum and pharmaceuticals

10. Discussion was based on documents E/CN.14/INR/83, E/CN.14/INR/81 and E/CN.14/INR/91.

11. The methods used in E/CN.14/INR/83 were detailed and attention was drawn to certain modifications of and amendments to plant proposals, as made in the final document on industrial co-ordination. Further study on production and transport costs of fertilizers was requested.

12. In the course of a lively discussion, the significant role of these industries was fully endorsed, and various viewpoints were additionally offered on resources available in particular countries and on questions of methodology in treating transport costs. There was general agreement that the study prepared (E/CN.14/INR/83) was comprehensive and would serve as guidelines for the expert group to be formed under the proposed Interim Council of Ministers.

13. It was agreed that the proposals made on the pharmaceutical industries merited serious consideration by the countries of the sub-region. On petroleum it was agreed that further study was required. The Committee noted that facilities existed in Rwanda for producing a wide range of vaccines which could meet the demands of the whole sub-region.

#### Cement and allied industries

14. The delegates next considered the secretariat report, Document E/CN.14/INR/84, on the cement and allied industries. They noted the rapid progress that has taken place in the industry within the sub-region since the early 'fifties. Nevertheless, the sub-region as a whole has not yet attained self-sufficiency and in fact depends on imports of the order of 30 per cent to cover total domestic needs. Further, the demand projection indicates that the present shortfall of the sub-region could increase to nearly two million tons annually by 1975. The Committee appreciated the need for launching the expansion of the industry according to the pattern elaborated in the document.

15. While the development of the industry within the framework of national projects was noted to be feasible, it was also pointed out that the promotion of industry within a sub-regional framework has clear advantages. There is scope for existing and new units to supply countries within the sub-region, which might not be able to set up their own cement plants for reasons of high costs of production or even lack of basic raw materials. The Committee also emphasized the need for phasing the development of the industry taking into account sub-regional co-operation in supplies.

Glass

16. The Committee also discussed the secretariat report on the glass industry, Document E/CN.14/INR/93. It noted the feasibility of national projects for the production of glassware. Insofar as sheet glass was concerned, the need for multi-national projects was appreciated. The Committee took note of the three multi-national projects recommended in the document. The Committee noted that Kenya has advanced plans for the establishment of a sheet glass industry in Mombasa.

Tea industry

17. The Committee considered the paper (E/CN.14/INR/98) on the tea industry in the East African sub-region presented by the secretariat, which recommended closer collaboration between the Tea Research Institutes of East Africa and that of Malawi in elucidating the mechanisms of reactions involved in rolling and fermentation and in scientific evaluation of the C.T.C. and Rotovane systems of bruising leaf claimed to yield higher quality made tea.

18. The paper further discussed the principles of manufacture of instant tea directly from green leaf and recommended that a factory for its manufacture be established in Tanzania and one in Malawi with an annual output of 500,000 pounds in each country. The Committee noted that a factory already exists in Uganda and plans are advanced for two factories in Kenya.

19. The Committee was informed that tea is now being grown in Rwanda and that it was intended to expand tea production to 4,000 hectares by 1970. Burundi has already a very advanced tea cultivation and the first factory will come into operation in 1967 and Burundi envisages reaching 5,000 hectares of tea cultivation in 1970. It was also noted that Zambia intends growing tea for local consumption. The importance of the tea industry to Malawi was emphasized, and it was noted that Malawi would be willing to co-operate with other countries in the sub-region and their tea research institutes in order to further improve quality by research into processing methods. The secretariat was

requested to undertake further studies with a view to co-ordinating the development of the tea industry in the sub-region.

#### Clothing industries

20. Discussion was based on Document E/CN.14/INR/95. Two aspects of the operation of the clothing industries were recognized: namely, the prolific pattern of heterogeneity in their end products and the comparatively modest size of optimal technical and economic scales. The role of clothing industries as large industrial employers was recognized. In the course of discussion, attention was drawn by some delegations to additional items of production presently being undertaken in the factories of their countries. Attention was also drawn to the integration of a textile mill to the clothing stage in one of the countries of the sub-region. The conflict, as it were, between the interests of the larger textile units which are technically better off when the production runs are large and the interests of the clothing industries, in whose case production runs are small and which desire a wide variety of fabrics as their own raw material input, was recognized.

21. It was widely agreed that a sub-regional approach in the matter of textile production would go a long way in meeting the demand for a wider range of fabrics from clothing industries, although the output of clothing industries themselves was likely to be, for the **major** part, country-oriented. However, the scope offered by heterogeneity of consumer demand as well as possibilities of specialization in certain items of production (such as raincoats, overcoats, etc.) was recognized.

#### Cordage, bags and bagging materials

22. The discussion on cordage products, Document E/CN.14/INR/88, emphasized the pre-eminence of the sub-region as a producer of sisal. However, it was noted that the sub-region had only made small beginnings in the matter of manufacturing cordage products for the international market, a position which contrasted with fibre-producing countries like Mexico, and non-fibre producing countries like Portugal, Denmark; etc. The major stepping up of production of cordage products visualized in the secretariat document was noted, both in terms of its

spread of such production in all hard-fibre producing countries of the sub-region as well as in terms of its implications for higher and relatively more stable earnings of foreign exchange.

23. During the discussion on bags and bagging materials, it was pointed out that the over-all demand for bags and bagging materials was being inhibited (and will continue to be inhibited) by the adoption of recent trends in packaging and in bulk handling. The Committee also noted that a considerable part of the demand for bags and bagging materials was being met, on a country basis, from production that could often be justified in terms of larger economic benefits and extra-economic considerations, but which also required considerable assistance from the state in one form or another. Further plans and prospects of expansion were also noted.

24. It was stated that the production of bags and bagging materials on a sub-regional basis would afford the requisite scale of production on the basis of imported soft fibres, to set up a competitive sub-regional industry without adversely affecting the packaging cost of goods exported out of the sub-region. It was emphasized that while many hopeful elements were present in the situation, competition with established producers of these products was not likely to be always easy. It was noted that industries already existed in Kenya, Ethiopia and Tanzania and that Zambia had plans to establish a plant. It was also noted that the Kenya and Tanzania plants would be greatly extended.

25. The Committee requested the secretariat to make further studies on the production of soft fibres.

#### Leather and leather shoe industry

26. The secretariat, in introducing the paper on leather and leather shoe industry, Document E/CN.14/INR/85, directed the attention of the delegates to the considerable prospects for the development of the industry in the Eastern African sub-region. The cattle, sheep and goat populations of the sub-region are extensive and slaughter-house outputs of hides and skins constitute important export commodities.

In recent years, over 40,000 tons of raw hides and skins and another 40,000 tons of tanning extract were exported annually. On the other hand, the sub-region resorts to imports of the order of 40 per cent of the demand for leather footwear.

27. At the same time, the impact of accelerated industrialization would no doubt bring about dramatic increases in the demand for footwear. Although leather footwear today faces competition from substitute materials, such as canvas, rubber and plastic shoes, nevertheless, the countries of the sub-region would wish to exploit their abundant resources in hides and skins rather than turn to substitute materials.

28. The secretariat pointed out that 29 large tanneries and shoe factories, four medium and 51 small-scale enterprises were being recommended for the sub-region in the next decade. This development is visualized within a framework of sub-regional co-operation and, moreover, is aimed at changing the present-day export pattern to make it possible for the sub-region to export leather goods rather than raw hides and skins.

29. Comments were made on tanneries that were closed down in some countries of the sub-region, and some delegates wondered whether there are lessons to be learned from this in view of the expansion recommended by the secretariat.

30. It was noted that Ethiopia and several other member countries attach great importance to the leather and leather products industries, and the secretariat was requested to undertake more detailed studies concerning the proposed leather institute for the sub-region. It was agreed that there was need for a more thorough investigation of the industry, particularly in view of the fact that the countries of the sub-region might continue to experience difficulties in marketing their leather products overseas. These products might be considered sub-standard. The secretariat was invited to undertake further studies which would take all aspects of the industry into consideration and define the problems and prospects of the industry in precise terms.

Plastic goods manufacture

31. The delegates considered the paper E/CN.14/INR/97 presented by the secretariat. The present consumption of plastics in all forms the paper estimated at 10,000 tons of which PVC and polyethylene constituted 7,200 tons. Rhodesia was most advanced in this industry and consumed 5,000 tons, with Kenya the next in importance with a consumption of 1,000 tons.

32. The paper formulated a five-year plan instead of a longer term projection for the development of this industry and recommendations covered the consumption of 20,000 tons of plastics per year by 1970. The expansion was preferentially distributed to countries which are in the early stages of development.

33. The Committee noted the recommendations and the distribution of industrial units in all countries of the sub-region. At the request of Tanzania, it was agreed that ECA should undertake a study on sub-regional specialization in plastics.

Textile industries

34. It was pointed out on behalf of the secretariat that production in the sub-region covered only about a quarter of current demand. The rationale of import substitution was welcomed in the context of these industries, and it was pointed out that the scale of heterogeneity in end products was very large in the textile industries, and that satisfaction of the product mix of consumer demand was an important element in textile development. The development would be greater - although the economic and technical scale requirements were not prohibitive - in a sub-regional context than it would be on the basis of isolated, country-based developments. The Committee noted that the integration of the cotton and rayon industries presented certain difficulties which should be studied.

35. It was agreed that Ethiopia would assist the secretariat in evolving an estimate of handloom cloth based on "homespun" yarn. The recommendations of the paper (E/CN.14/INR/86) were noted.

#### Agro-allied industries

36. A full discussion of this item was not possible as the background paper has still to be finalized. The brief statements given received some comment from the delegates underlining the need for a thorough study in this important branch of economic development.

37. It was promised on behalf of the secretariat that a detailed study of agro-allied industries will be made available in the near future for deliberation by the proposed Interim Council of Ministers. It was agreed that the study should be comprehensive in its coverage of countries as well as industrial branches.

#### Pulp and paper and forest-based industries

38. Discussion was based on Document E/CN.14/INR/80 prepared by the FAO and introduced by an FAO representative and a consultant. Resources for the rapid development of the forest industries already exist and even greater resources are being created through quick growing forest plantations. Various delegates referred to projects, plans and prospects for forest development suitable for pulp and paper production. Where available forest resources already exist plans may be made for immediate industrial development, while in other areas development will follow the maturing of forest plantations. It was recognized that the advantages of co-operation are very pronounced in the development of pulp, paper and fibreboard industries and that all other branches of the forest industries would gain from the establishment of a sub-regional market. It was agreed that the secretariat should undertake further studies of forest and forest-allied industries. The Committee noted the establishment of the FAO/ECA Regional Advisory Group on Forest Industries Development.

#### Small-scale industry

39. The Committee noted in the course of the discussions the importance of small-scale industry in the industrial structure, and stressed the importance of taking active, bold steps to raise the proportion of entrepreneurs, both in industry and business, from the nationals



of the countries concerned. The proposal for a sub-regional institute for small-scale industry development was noted. The study in question, E/CN.14/INR/99, was received for onward transmission to the intergovernmental machinery to serve as guidelines.

#### Rubber industry

40. The Committee considered Document E/CN.14/INR/92, "The Development of Rubber Goods Manufacture in the East African Sub-region", submitted by the secretariat. The paper discussed the plantation industry in Africa and the severe competition offered to natural rubber by synthetic rubber and concluded that new plantations of rubber can only face this competition if yields of 1,000 pounds per acre can be attained. As the older plantations in Eastern Africa, principally in Uganda and Malawi, have become derelict and yields uneconomic because of soil and climatic factors, the paper suggested that countries of Eastern Africa purchase their requirements of rubber from West Africa, where rubber has been grown economically, rather than grow their own.

41. The review of the consumption of rubber indicated that the total consumption in Eastern Africa, excluding Rhodesia, where consumption per head is much higher, was only 0.35 pounds per head; this included direct consumption of raw rubber of 0.07 pounds per head and imports of tyres and rubber goods of 0.28 pounds per head. By 1970, it proposed direct consumption of rubber of 0.6 pounds per head, which is the present attainment of the United Arab Republic. In attaining this consumption, the sub-region will establish both tyre and other rubber products factories to utilize an additional 14,700 tons.

42. Six tyre factories were proposed - in Tanzania, Madagascar, Zambia, Kenya, Ethiopia and Uganda - to be established in that order by 1970. The paper also recommended eight shoe factories, seven bicycle tyre factories and three mechanical goods factories.

43. In discussion it was pointed out that in Uganda the total acreage under rubber was 12,837 and that this old rubber only yielded 20 tons. The Uganda Government has consulted experts from Malaya and is intending to open up 4,000 acres under new high yielding rubber. It therefore

requested that the recommendation in the paper describing plantations in Eastern Africa as being uneconomic not be transmitted.

44. Some delegates suggested that tyre plants of larger output than 200,000 tyres per annum might be more attractive to investors who may then be persuaded to establish factories. The consultant stated that a number of tyre plants are working profitably at a level of 60,000-75,000 tyres per annum in South America and Israel and that a plant of 200,000 is economically viable and more than profitable. He pointed out that ECA, in making recommendations, looked at the interests of the countries of the Eastern African community and not to the profits of individual overseas companies.

45. Some delegates expressed the view that larger units might cause competition which may be disruptive to the over-all Eastern African economy and **its co-ordination**. It was suggested that consideration should be given to the production of carbon black using methane gas.

#### Industrial research

46. The Committee considered the paper, E/CN.14/INR/94, on industrial research in Eastern Africa, prepared by the secretariat.

47. The paper recommended the establishment of an autonomous Eastern African Industrial Research Council vested with the powers and duties of institutes established by it or vested in it. The Council is to consist of representatives nominated by each of the countries in which a specialized institute was proposed and provision was made for other countries to join in the scheme, and for the Council to determine what other institutes may be established in those countries.

48. In the first instance, it was proposed, five institutes should come under this Council.

- (a) The Building Research Institute in Ethiopia, established a few years ago with the assistance of the Swedish Government;

- (b) The East African Industrial Research Organization (EAIRO) laboratories established in 1942 in Kenya to operate as a general industrial laboratory in the chemical and process development field;
- (c) A Rubber, Plastics, Fibres and Textiles Laboratory to be established in Tanzania;
- (d) A Food Research Laboratory to be established in Uganda; and
- (e) A Metals Laboratory to be established in Zambia.

49. The paper discussed different types of research and concluded that applied and adaptive research were the types most needed in the sub-region. It emphasized the importance of industrial extension and the dissemination of industrial and technological knowledge gathered from the specialized institutes under the Council and from developed countries. Each institute would consequently have a team of officers who would extend this knowledge to entrepreneurs and industrialists in the country and solve production problems.

50. The Committee was informed that the United Kingdom Government had been providing financial assistance to the East African Industrial Research Organization to the extent of £30,000 per year and that the United Kingdom Government will sympathetically consider any requests for assistance to the proposed Council.

51. The Committee was also informed of the newly established Industrial Research Centre for Central Africa in Congo (Leopoldville), which receives technical assistance from the Governments of Italy, France, Germany and Belgium. This Centre is expected to have 40 research workers and will cost 16 million US dollars.

#### Standardization

52. The Committee considered Document E/CN.14/INR/101 on standardization, prepared by the secretariat. The paper recommended the establishment of an Eastern African Standards Institute, the siting of which will be determined after further detailed study.

53. The paper proposed that the Eastern African Standards Institute would work in close co-operation with existing standards organizations and the research institutes proposed in Document E/CN.14/INR/94.

54. In discussion it was suggested that the metric system be adopted by the whole sub-region. It was noted that the East African Common Services Organization (EACSO) has under consideration recommendations by an expert for the changeover to the metric system in Kenya, Uganda and Tanzania. It was agreed that this report to EACSO should be made available and a request should be addressed to the Secretary-General of EACSO in this matter.

#### Investment and finance

55. The papers on financing and investment, E/CN.14/INR/96 and E/CN.14/INR/103, were introduced by the secretariat and a consultant. Delegates pointed out that tax holidays vary among the various member countries and that a very liberal tax holiday curtails revenue to governments and implies larger transfers of foreign currency. It was suggested that the subject be further reviewed and a study made on the co-ordination of investment codes and incentives. In this connexion, the attention of delegates was drawn to the study of the Centre for Industrial Development.

#### Industrial co-ordination

56. Discussion was based on the document, E/CN.14/INR/102. At the outset, the considerations guiding the input-output analysis, evaluation of projects and setting of targets on a country basis, were detailed. It was pointed out that in drawing up the scheme, attention had been paid to several objectives - such as the improvement in balance of payments, re-orienting the structure of industrial output so as to make it potentially more productive in the future and the balanced growth of various economies of the sub-region. Attainment of all the objectives had been generally satisfactory; nonetheless, in the view of the secretariat, additional work had to be done.

57. The interrelationships between light and heavy industries were recognized; and it was felt that limited complementarity in the structure of agricultural output among the countries of the sub-region might make for difficulties in the planning of industries based on agricultural raw materials.

58. Some delegations were of the view that demographic pressures were higher in their countries than the secretariat study allowed for, and it was agreed that this matter should be looked into.

59. It was pointed out by several delegations that reduction of the handicaps in the industrialization of small, densely populated, land-locked countries, as well as meeting of the demographic pressures in these countries, should become a conscious, possibly over-riding, objective in their industrialization. Several approaches were referred to in this connexion, and it was argued that reservation of a range of light industries might be one possible solution. Uniform prices for a range of basic industrial products throughout the sub-region were suggested as another solution.

60. It was widely felt that the study broke new ground and that the secretariat might want to consider consulting a small group of international experts about the methods and principles employed. The paper itself, however, should not be given a wide circulation. There was general agreement that the technical co-efficients used needed to be looked into more closely in co-operation with individual countries. Stress was also laid on the complementarity of an industrial programme, among other sectors, with agriculture, and in the revision of the document and the individual industrial studies an attempt should be made to place the economic evaluations on a comparable basis, particularly with respect to the measurement of the rate of return on capital.

61. Considerable stress was also laid on the need to balance growth geographically in terms of industrial investment per caput in order that all countries would have an equal opportunity in the development programme proposed.

62. A drafting committee consisting of the representatives of Ethiopia, Kenya, Rwanda, Uganda and Zambia was appointed to consider the draft report and prepare draft resolutions for submission to the plenary. Draft resolutions were prepared relating to: industrial co-ordination; radio industry; industrial research; standardization; small industrial development; Request to the UN Special Fund concerning a sub-regional project for the exploitation of Methane Gas contained in Lake Kivu (Rwanda); copper processing industry; domestic services; congratulations to the officers of the meeting; congratulations to the secretariat and East African sub-regional office; and a vote of thanks to H.E. Dr. Kenneth Kaunda and the people and Government of Zambia. The draft report and the resolutions were considered by the Committee and after minor amendments approved for submission to the Plenary Session.

ANNEX I

LIST OF PARTICIPANTS / LISTE DES PARTICIPANTS

EAST AFRICAN MEMBER STATES

ETATS MEMBRES D'AFRIQUE DE L'EST

BURUNDI/ROYAUME DU BURUNDI:

Monsieur B. KANYARUGURU  
Secretary of State for Plan  
Bujumbura

Monsieur G. CORNU  
Président de la Banque du Royaume  
du Burundi  
Bujumbura

Monsieur P. NTIMANZA  
Directeur Général du Ministère de  
l'Economie  
Bujumbura

ETHIOPIA/ETHIOPIE:

H.E. Ato GETACHEW Mekasha  
Ambassador of Ethiopia  
Nairobi

Ato GABRE MICHAEL Paulos  
Assistant, Industry Department  
Ministry of Industry  
Addis Ababa

Ato TEKLE HAIMANOT Gebremariam  
Director General, Industry Department  
Ministry of Industry  
Addis Ababa

KENYA:

Hon. J.G. KIANO  
Minister for Commerce and Industry  
Nairobi

Hon. T.J. MBOYA  
Minister for Economic Planning and  
Development - Chairman of the  
seventh session of ECA  
Nairobi

Hon. Mwai KIBAKI  
Assistant Minister for Economic  
Planning and Development  
Nairobi

Mr. J. MULIRO  
Industrial Development Officer  
Ministry of Commerce and Industry  
Nairobi

**MALAWI:**

Adviser/Conseiller:

Mr. Kurt Martin SAVOSNICK  
Economic Adviser  
Ministry of Economic Planning and  
Development  
Nairobi

Hon. J.D. MSONTHI  
Minister of Transport and Communica-  
tions and Education  
Zomba

Hon. J.Z.U. TEMBO  
Minister of Finance, Trade, Industry  
and Development and Planning  
Zomba

Mr. A.J.M. BANDA  
Parliamentary Secretary  
Ministry of Transport and Communica-  
tions  
Zomba

Mr. C.V.B. MUNTHALI  
Acting Senior Assistant Secretary  
Ministry of Finance  
Zomba

Mr. A.G. Padgett  
Secretary for Trade and Industry  
Zomba

Mr. D.D. PHIRI  
Acting Senior Assistant Secretary  
Ministry of Development and Planning  
Zomba

**RWANDA:**

Monsieur P.C. GASHUMBA  
Directeur Général au Ministère de  
l'Economie  
Kigali

Adviser/Conseiller:

Monsieur J. DeLAVALLEE  
Conseiller à l'Industrie  
Butare

**TANZANIA/TANZANIE**

Hon. P. BOMANI  
Minister of Economic Affairs and  
Development Planning  
Dar-es-Salaam



Mr. D. BITEGEKO  
Senior Industrial Officer  
Ministry of Industries, Mineral  
Resources and Power  
Dar-es-Salaam

Mr. H.G. BRIND  
Senior Executive Engineer  
Ministry of Communications and Works  
Dar-es-Salaam

Mr. J.M. BRYCE  
Utilization Officer, Forest Division  
Ministry of Agriculture, Forests and  
Wild Life  
Moshi

Mr. W. CROMARTY  
Director  
Posts and Telecommunications  
Dar-es-Salaam

Mr. J.B. LUMAMA  
Junior Planning Officer  
Ministry of Economic Affairs and  
Development Planning  
Dar-es-Salaam

Mr. Y.F. MESSIAN  
Industrial Economist  
Ministry of Economic Affairs and  
Development Planning  
Dar-es-Salaam

Mr. J.R. MODI  
Senior Economic Officer  
Treasury  
Dar-es-Salaam

Adviser/Conseiller:  
Mr. G. ASPLUND  
Associate Economist  
Ministry of Industries, Natural  
Resources and Power  
Dar-es-Salaam

UGANDA/UGANDA:

Hon. L. LUBOWA  
Minister of Commerce and Industry  
Kampala

Mr. E.H. COWNIE  
Principal Assistant Secretary  
Ministry of Commerce and Industry  
Kampala

ZAMBIA/ZAMBIE:

Mr. A. KATUMBA  
Economist  
Central Planning Bureau  
Entebbe

Mr. S. MUSOKE  
Assistant Secretary  
Ministry of Foreign Affairs  
Entebbe

Mr. B.K. SSEMBATAYA  
Assistant Secretary  
Ministry of Commerce and Industry  
Kampala

Hon. M. NALILUNGWE  
Minister of Commerce and Industry  
Lusaka

Hon. A.N.L. WINA  
Minister of Finance  
Lusaka

Mr. E.M. CHIPIMO  
Assistant Secretary  
Ministry of Transport and Works  
Lusaka

Hon. J. CHISATA  
Parliamentary Secretary  
Ministry of Commerce and Industry  
Lusaka

Mr. L. LISHOMWA  
Under Secretary (Finance)  
Ministry of Finance  
Lusaka

Mr. U.G. MWILA  
Parliamentary Secretary (Finance)  
Lusaka

Mr. G.H. MUTALE  
Permanent Secretary (Industry)  
Ministry of Commerce and Industry  
Lusaka

Dr. J.B. ZULU  
Permanent Secretary  
Lusaka

Advisers/Conseillers:

Mr. Robert ANDERSON  
Director of Economics and Marketing  
Ministry of Agriculture  
Lusaka

Mr. D.A. CROSS  
Economist  
Office of National Development and  
Planning  
Lusaka

Mr. C.G. GEASLEY  
Assistant Secretary (Industry)  
Ministry of Commerce and Industry  
Lusaka

Mr. B.W.T. MUTHARIKA  
Acting Principal  
Ministry of Finance  
Lusaka

Mr. PRIESTLEY  
Assistant Secretary  
Ministry of Mines and Co-op.  
Lusaka

Mr. J. RANDALL  
Chief Economist  
Ministry of Finance  
Lusaka

Mr. A. SARDANIS  
Managing Director  
Industrial Development Corporation  
of Zambia Ltd.  
Lusaka

OTHER MEMBER STATES/AUTRES ETATS MEMBRES

CONGO (LEOPOLDVILLE)/  
REPUBLIQUE DEMOCRATIQUE  
DU CONGO

Monsieur A. GIMBI  
Chef de bureau, Ministère du Plan  
Léopoldville

Monsieur G. DESSART  
Directeur Association des Entreprises  
du Katanga  
Elisabethville

Monsieur I. NGOY  
Rédacteur, Ministère du Plan  
Léopoldville

ASSOCIATE MEMBERS/MEMBRES ASSOCIES

FRANCE

Monsieur J.A. DALBERTO  
Conseiller Commercial  
Consulat général de France  
Salisbury

Monsieur Roger ESTABLIE  
Conseiller de l'Ambassade de France  
Addis-Abéba

Monsieur Jacques MULLENDER  
Chargé de Mission pour l'Afrique de  
l'est au Ministère de la  
Co-opération  
Paris

MAURITIUS/ILE MAURICE:

Hon. J.M. PATURAU  
Minister of Industry and Commerce  
and External Communications  
Moka

RHODESIA/RHODESIE:

Mr. R.W. DELL  
Assistant Secretary  
Ministry of Commerce and Industry  
Salisbury

Mr. S.K.C. SOMKENCE  
International Organizations Section  
Ministry of External Affairs  
Salisbury

Alternate Representatives/Suppléants:

Mr. R.B. OLIVER  
Assistant Secretary  
Ministry of External Affairs  
Salisbury

Mr. J.O.M. WILKINSON  
Assistant Secretary  
Ministry of Commerce and Industry  
Salisbury

UNITED KINGDOM/ROYAUME UNI:

Mr. R. MARRIS  
Director, World Economic Division  
Ministry of Overseas Development  
London

Mr. J.A. MOLYNEUX  
Deputy High Commissioner  
British High Commission  
Lusaka

Mr. D.A. POTT  
First Secretary (Development)  
British High Commission  
Lusaka

Miss S. SCAMMELL  
First Secretary (Commercial)  
British High Commission  
Lusaka

OBSERVER STATES/OBSERVATEURS

AUSTRIA/AUTRICHE

Mr. Edward WILL  
Austrian Trade Delegate  
Nairobi

BELGIUM/BELGIQUE

Mr. J. BOURGAUX  
Ambassador of Belgium  
Lusaka

CZECHOSLOVAKIA/  
TCHECOSLOVAQUIE:

Mr. J. ZEMAN  
Head of the Commercial Section  
Embassy of Czechoslovakia  
Lusaka

FINLAND/FINLANDE:

Mr. M.K. HEIMOVAARA  
Consul  
Embassy of Finland  
Nairobi

GERMANY/ALLEMAGNE:

Dr. W. TREITZ  
Deputy Chief  
Ministry of Economic Affairs  
Bonn

Mr. H. HEMSCHROT  
Economist  
Munich

Joachim Frhr. VON JENA  
Third Secretary (Commercial)  
Embassy of Germany  
Addis Ababa

HUNGARY/HONGRIE:

Mr. Istvan JENOFI  
Director  
Hungarian Chamber of Commerce  
Budapest

Mr. VAS  
Commercial Counsellor  
Embassy of Hungary  
Nairobi

INDIA/INDE:

Mr. S. KRISHNAMURTHI  
High Commissioner  
Indian High Commission  
Lusaka

Mr. R.C. JOSHI  
Second Secretary  
High Commission of India  
Lusaka

ISRAEL:

H.E. Mr. Ben Zion TECHAN  
Ambassador of Israel  
Lusaka

Dr. Moshe ALPAN  
Economic Counsellor  
Embassy of Israel  
Nairobi

ITALY/ITALIE:

Mr. A. ALBINI  
Consul General of Italy  
Lusaka

JAPAN/JAPON:

Mr. Mototaka HANAMURA  
Deputy Chief Chemical Engineer  
Overseas Technical Section  
Development Department,  
Toto Koatsu Industries Incorp.  
Tokyo

Mr. Takashi FUJISE  
Chief of Japan Consulting Institute  
Salsibury

MEXICO/MEXIQUE:

H.E. Dr. Jesus Reyes RUIZ  
Ambassador of Mexico  
Accra

NETHERLANDS/PAYS-BAS:

Dr. G. RINGNALDA  
Ministerial Adviser  
Ministry of Foreign Affairs  
The Hague

SWEDEN/SUEDE:

Mr. Sven ROSEN  
Director of Skolast Jarrestad  
Simrishamn

Mr. Tor LINDQUIST  
Director General  
Export Association of Sweden  
Stockholm

Mr. C.A. DAVIDSON  
Managing Director  
Skolast, Jarrestad  
Kivik

UNITED STATES OF AMERICA/  
ETATS UNIS D'AMERIQUE:

Mr. W. KLING  
Economic Adviser  
Bureau of African Affairs  
Department of State  
Washington, D.C.

Dr. C. FRITZ  
Programmes Officer  
Agency for International Development  
Nairobi

Mr. B. Goldberger  
Industry Officer  
Embassy of the USA  
Tunis

Mr. H. GUTMAN  
U.S. Agency for International Development  
Washington, D.C.

Mr. A. STILLMAN  
Second Secretary  
Embassy of the USA  
Addis Ababa

UNION OF SOVIET SOCIALIST  
REPUBLICS/UNION DES REPUBLIQUES  
SOCIALISTES SOVIETIQUES

Dr. Y. ASADOV  
First Vice-Chairman of the State  
Planning Committee of the Azerbaijan  
Soviet Socialist Republic  
Baku

Mr. A.G. ABRAMOV  
Counsellor  
Embassy of the USSR  
Addis Ababa

Mr. G. KHARKOVETS  
Counsellor  
Embassy of the USSR  
Lusaka

Dr. M.B. GORNUNG  
Scientific Collaborator, Institute  
of Geography  
Academy of Sciences  
Moscow

Mr. N. SMIRNOV  
Second Secretary  
Ministry of Foreign Affairs  
Moscow

YUGOSLAVIA/YUGOSLAVIE:

Mr. N. SASIC  
Chargé d'Affaires  
Embassy of Yugoslavia  
Lusaka

OBSERVER ORGANIZATIONS/

ORGANISATIONS REPRESENTÉES PAR DES OBSERVATEURS

EAST AFRICAN COMMON  
SERVICES ORGANIZATION:

Mr. P.B. MATEMBA  
Financial Secretary  
The Treasury  
EACSO  
Nairobi

Mr. N. RAMM-ERICSON  
Associate Economic Adviser  
EACSO  
Nairobi

Dr. K. VON KIRCHENHEIM  
Industrial Adviser  
EACSO  
Nairobi

ORGANIZATION OF AFRICAN UNITY/  
ORGANISATION DE L'UNITE  
AFRICAINNE :

Monsieur C. SEGBENOU  
Assistant du Secrétaire Général  
Adjoint au Département des Affaires  
Economiques et Sociales  
Addis Ababa

SPECIALIZED AGENCIES/INSTITUTIONS SPECIALISEES

FAO :

Dr. S.F. BETHKE  
Marketing Economist  
ECA/FAO Joint Agriculture Division  
ECA  
Addis Ababa

Mr. C.G. GROOM  
Agricultural Engineer  
FAO  
Rome

Mr. L. NAGODA  
Regional Forestry Officer for  
East Africa  
ECA  
Addis Ababa

Dr. J.B. POLIAKOFF  
Food Technologist  
FAO Regional Office  
Cairo

Mr. H.F.R. QUAIX  
FAO/IPWA  
East African Team Leader



ICAO/OACI:

Mr. G.B. YOUNG  
Deputy Representative  
International Civil Aviation Organiza-  
tion  
Cairo

ILO/OIT

Mr. J. REYNAUD  
Director  
Office of the ILO  
Addis Ababa

Mr. F. BOWLES  
Federal Ministry of Labour  
Lagos

Mr. E.A. PAULI  
International Labour Organization  
Geneva

TAB/BAT AND  
SPECIAL FUND/FOUND  
SPECIAL:

Dr. B. CHIDZERO  
Resident Representative of the Technical  
Assistance Board and Director of  
Special Fund Programmes in Kenya  
Nairobi

Mr. A. LEDERER  
Consultant to the Managing Director  
United Nations  
New York

Mr. J.R. SYMONDS  
Regional Representative of the Technical  
Assistance Board in South East Africa  
Lusaka

Mr. Kjeld PHILIP  
Economic Adviser  
Denmark

UNESCO:

Mr. A. GILLE  
Director  
UNESCO Regional Centre for Science and  
Technology for Africa  
Nairobi

WHO/OMS:

Dr. L.O. ROBERTS  
Representative for Southern Africa  
World Health Organization  
Lusaka

CONSULTANTS

Mr. D. BORRMANN  
Battelle Institut e.V.  
Frankfurt-Main  
Germany

SECRETARIAT

Mr. J. HORNIBLOW  
W.S. Atkins and Partners  
Addis Ababa

Dr. H.R. MILLS  
W.S. Atkins and Partners  
London

Mr. A. Dara SEKBAN  
Beloit Integrated Products Ltd.  
Surrey

Mr. R.K.A. GARDINER  
Executive Secretary

Mr. F.A.Y. JAISEY  
Director, Sub-regional Office for  
East Africa of the ECA  
Lusaka

Dr. V.V. KOSSOV  
Consultant on Industrial Programm-  
ing

Mr. S. KUZMIN  
Consultant on Industrial Programming

Dr. S.D. MEHTA  
Economic Affairs Officer

Mr. J.H. MENSAH  
Head, Economic Co-operation Division

Mr. B.D. NOMVETE  
Head, Industry Division

Dr. R. ROBSON  
Regional Adviser on Industrial  
Development

Ato SEBHAT Hable-Selassie  
Economic Affairs Officer

Dr. A. SUNDRALINGAM  
Consultant on Industrial Research

ANNEX II

Revised Provisional Agenda\*

1. Opening Addresses
2. Election of Officers
3. Adoption of agenda and organization of the work of the meeting

SECTION I

Economic Integration

4. Establishment, and modus operandi of inter-governmental machinery for sub-regional economic integration

SECTION II

Harmonization of Industrial Development Programmes

PART I

5. Examination of studies on mainly heavy industries
  - a. Iron and steel
  - b. Mechanical engineering
  - c. Electrical engineering
  - d. Chemicals and fertilizers
  - e. Pulp and paper and forest-based industries
  - f. Non-ferrous metals - copper, alumina, aluminium
  - g. Petroleum
  - h. Building materials and construction (cement)

PART II

6. Examination of studies on light industries
  - a. Leather goods and footwear
  - b. Textiles
  - c. Clothing
  - d. Fibres, including sisal and jute

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\* This revision incorporates also the agenda previously issued as E/CN.14/INR 82 Rev.1 which is hereby superseded.

- e. Processing of tea
- f. Agro allied industries
- g. Rubber industries
- h. Glass
- i. Plastic goods manufacture
- j. Small-scale industries, including industrial estates

### PART III

- 7. Examination of studies on topics related to industrial co-ordination
  - a. Industrial financing and investment legislation
  - b. Industrial research
  - c. Standardization
- 8. Principles of industrial co-ordination, including location, industrial complexes, inter-industry relationships and industrial trends in the sub-region
- 9. Report and Resolutions on Harmonization of Industrial Development

### SECTION III

#### Other Elements of Economic Integration

- 10. Transport: Progress Reports and Proposals for Co-ordination
  - (i) Air (ii) Inland (iii) Maritime (iv) Tourism
- 11. Telecommunication: Progress Report
- 12. Sub-regional Trade, including Customs
- 13. Agriculture: Problems of staple food supplies
- 14. (i) Manpower requirements for accelerated economic growth.  
(ii) National machinery for manpower planning and administration of training
- 15. Natural Resources: National machinery for natural resources inventory and for management
- 16. Problems of monetary management and international trade financing
- 17. Any other business
- 18. Adoption of Report and Resolutions.

## NOTES ON THE AGENDA

### Origin

The seventh session of the Commission adopted resolutions 128(VII) on Working Parties, 130(VII) on sessions of the Commission, and 142(VII) of Economic Integration. These decisions call for (i) the setting up at the sub-regional level inter-governmental machinery responsible for the harmonization of economic and social development in the region; (ii) a two-way flow of information and ideas between each sub-region and the newly established working parties which function at a regional level; and, (iii) meetings of member Governments in each sub-region with a view to intensifying sub-regional economic activity. This meeting at Lusaka is the first in the series of such sub-regional meetings convened by ECA. In the fourth quarter of this year a similar meeting will be held at Niamey.

Furthermore, the sixth session of the Commission adopted the reports of the industrial co-ordination missions which were sent to East and West Africa in 1963 (E/CN.14/247 and E/CN.14/246). The Commission recommended that a conference at a high level should be held in both the East and West African sub-regions to examine concrete proposals for industrial co-ordination and economic integration.

The following is an extract from the Report of the Standing Committee on Industry, Natural Resources and Transport, on its second session (E/CN.14/245, paragraph 7(i):

"In the case of East and Central Africa, the hope was expressed that a Conference of Ministers [as recommended in the Report of the ECA Industrial Co-ordination Mission to East and Central Africa, Part IV, paragraph 175, 12(d)]<sup>7</sup>, would be held to the course of 1964, and the Executive Secretary was requested to make such further preparations as the governments concerned deemed necessary".

The West African Conference was held in Bamako, Mali, from 5 to 15 October last year. As will be seen from the report presented to the seventh session of the Economic Commission for Africa, a notable advance on industrial co-ordination in the West African sub-region has been made.

Agenda Item

1. Opening addresses  
Opening addresses will be delivered by a representative of the host Government and the Executive Secretary of the ECA.
2. Election of officers  
The meeting should elect, from among its members, a Chairman, Vice-Chairman, Rapporteurs, a Steering Committee, and a Drafting Committee(s).
3. Adoption of the agenda and organization of the work of the meeting  
Following the adoption of the provisional agenda, the meeting may wish to conduct its business on Agenda Items 4, 9 and 18 in plenary sessions; and, the remaining items of SECTIONS II and III in two Committees working simultaneously.
4. The discussion will be based upon a paper prepared by the ECA secretariat.
5. 6 and 7. Examination of studies on heavy industries, light industries and related industries  
For the origin of the various studies and recommendations, reference is made to the Report of the ECA Industrial Co-ordination Mission to East and Central Africa (Document E/CN.14/247) and the Report of the Second Session of the Standing Committee on Industry, Natural Resources and Transport (Document E/CN.14/245) and some of the documents cited therein.
8. Principles of industrial co-ordination  
Reference is made to the Reports of the sixth and seventh sessions of the ECA (Documents E/3864, E/CN.14/290, paragraph 150, and E/CN.14/343, paragraph 181).
9. The Drafting Committee will present the Report and Resolutions of this Committee to a plenary session for adoption.
10. To 16. Discussion on these will be based upon papers, reports and outlines prepared by the ECA Secretariat, and will be taken up in the Second Committee.

17. The Executive Secretary, at this stage, has no other business to propose.
18. Following established practice, the meeting should adopt its Final Report for transmission to the ECA, with a recommendation for transmission to the relevant Working Parties.

#### Background Documentation

1. General Review of the economy of the East African Sub-region since 1950, and analysis of development prospects and problems up to 1980.
2. Statistical requirements for economic and social development.
3. The demographic situation in Eastern Africa.

ANNEX III

Address by H.E. Dr. Kenneth Kaunda, President of  
the Republic of Zambia

Mr. Executive Secretary, Honourable Ministers, Delegates,  
Distinguished Guests, Ladies and Gentlemen

On behalf of my Government and myself, and indeed all the people of Zambia, I wish to extend to you all a very warm welcome. We are glad to see you and hope that when you return you will take away with you fond memories of Zambia and if our hospitality is not up to expected standards, I hope you will understand, for your host - Zambia - is only one year old.

Recently this young country has had the honour and privilege of acting as Host to a number of important conferences, but I venture to say that none will be more important to our future than this one - for the result of your recommendations can have far-reaching effects not only for Zambia, but for other countries of this Continent of Africa.

The concept of economic co-operation offers to member States of the East African sub-region a great potential for advancement towards our common goal of sustained economic growth. It can help to establish the pattern which will eventually lead to an economically united Africa and can bring into concert our various political frameworks to facilitate the regional harmonization of our industrial programmes. It can also allow us to take long strides towards the closing of the economic gap between the developed and developing nations.

These are the desired objectives of this Conference. The attainment of these objectives depends not only on your deliberations over the next twelve days, but also upon the sincere and firm commitment of the Governments which you represent to the principle of economic co-operation.



We all realize that the road to economic maturity is not, and will never be, a smooth one. While most of the developing nations are improving the economic conditions within their borders, the developed nations are also moving forward at a rapid pace. At best, the economic gap has remained the same and, without a set of co-ordinated programmes and the optimum use of our available resources, that gap will certainly widen. It is not a static world in which we live. What were the conditions of yesterday are not those of today, and tomorrow they again will be changed.

If Africa, and specifically the East African sub-region, is to accept the challenge of economic growth and is to succeed in overcoming the obstacles it presents, important and substantial advances must be made in industrialization. I am not discounting the importance of agriculture, but merely acknowledging the incontestable fact that the agricultural economies of the countries in our sub-region are basically competitive and that the brightest hopes for our co-operation lie in the industrial field.

The nations of the East African sub-region, like all developing areas, are faced with the same problems of scarcity of resources, be they human, capital or natural. Small and limited markets do not always allow for the establishment of viable primary industries on a national basis. Realizing that these problems exist, we must seek other solutions which will allow us to achieve our goal of economic maturity. The principle upon which this Conference has been convened offers such a solution. Through sub-regional co-operation, many avenues for growth can be opened up to us. There can also be a much freer transfer of technology, broader and more varied markets, and a much wider utilization of the natural resources of the sub-region.

However, as I stated before, the road to economic development is not a smooth one and we must keep in mind the problems to be faced in sub-regional industrialization.

There are certain basic obstacles. Let us clearly recognize these difficulties and be realistic in their solution. We are faced primarily with the problem of transportation. Due to historical and geographical reasons, the trade routes within the East African region have not been orientated to a common pattern. We are faced with a lack of adequate and cheap means of transport. This is our greatest problem; this is our common problem.

The benefits of transportation links accrue not only to those countries immediately concerned, but also, by enlarging the market, to all countries. At the present time our trading links tend to be less with our African brothers than with the developed nations of the world. As long as this pattern continues, the great advantages enjoyed by the developed countries, due to their industrial maturity, will inhibit the drive for maturity in Africa. The simple fact is that we stand or fall together in our struggle for development and, if we wish to develop, we must use the whole East African market; we must change the existing trade pattern; we must build new communication links.

I welcome the idea put forward by the Economic Commission for Africa and contained in item 4 of your agenda. This item refers to the establishment of inter-governmental machinery for sub-regional economic integration. If we can establish effective machinery of this sort I would accept that we had taken a long step forward. But any such advance must be backed by political will. By merely mouthing platitudes that are not backed by real and sincere intent, we may merely be talking across the grave of stillborn African co-operation.

The spirit of nationalism enabled the free African nations to defeat colonialism and imperialism. It is our weapon against tribalism and sectionalism. And yet excess nationalism must not be allowed to bury our hopes of co-operation between African nations.

I am no advocate of that idealism that runs ahead of reality. In fact, during this Conference you will find no harder bargainers than Zambians. Yet, I pledge for myself and my Government that, where a practical approach will lead to fruitful co-operation, we shall be the first to seize it.

I will not detain you longer Mr. Executive Secretary for you have a heavy Agenda ahead of you. It is my prayer that the results of this Conference will do much to help the cause of mankind and I ask God's Blessing on your deliberations.

It now gives me great pleasure to declare this, the Conference on the sub-regional harmonization of industrial development programmes, open.

#### ANNEX IV

Statement by Mr. T. MBOYA, Chairman of  
the Seventh Session of the Economic Commission  
for Africa

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It is a great pleasure for me to be present at this Conference not only as Chairman of the Economic Commission for Africa but also as leader of the Kenya delegation. I thus have double interest in the success of the Conference. Firstly because the ECA is anxious to promote sub-regional economic co-operation between States. This is part of the efforts towards African unity and economic integration of the continent as a whole. Secondly because the Government of Kenya believes that only through closer co-operation of this kind can the opportunities for economic growth in Africa be fully realized. The challenge is a stimulating one and we owe a debt of gratitude to the staff of the ECA for the ground work that has been carried out to prepare the way for this Conference, for some really excellent papers and for putting forward a number of good proposals. For the first time, we have good studies on various existing and potential industries. We should also be grateful for the careful arrangements which have been made.

In approaching the agenda we need to be both realistic and practical if we are to achieve fruitful and concrete results in the time available to us. We must be clear as to our objectives both long term and short term. We must consider the institutional framework which will be necessary to implement our intentions. We must lay down the time-table is important because it gives all our staffs and civil servants a fixed target towards which to work and against which progress can be measured. Without such a timetable, programmes can drag on indefinitely and objectives can recede into the distant future or eternity. I propose therefore to review possible objectives; to examine the methods by which they can be carried out; and to suggest a tentative time-table for achievement.

Our long-term political objectives are quite clear. These are to bring about the political unity of the African continent and to liberate all African countries from the shackles of colonialism. Political unity cannot be achieved without a progressively growing measure of economic co-operation through harmonization and integration. The African continent is so vast and so diverse that unity will not be achieved overnight, and will require planning, understanding and determination. There are many physical, linguistic, economic and other obstructions to be overcome before true and lasting African unity can be achieved. But of course there are many more factors which compel us to unite. We have therefore accepted-- and our very presence today in Lusaka confirms this--that if we want to unite, we must act and not just talk. We have met in order to do something that will lead to unity based on economic integration and co-operation. The African continent lends itself very naturally to sub-regional economic groupings and considerable progress has already been made in this direction in other regions. It is our responsibility here in Lusaka to demonstrate that the East African sub-region intends to do something real and lasting for sub-regional economic co-operation.

The main theme of the Conference is the harmonization of programmes for industrial development. It is very rightly felt that the ultimate solution to our economic problems and under-development is industrialization and that the key towards a higher rate of industrial growth is economic co-operation. Only thus can sufficiently large markets be obtained to give economies of scale in industrial production. Without large markets our industries cannot compete effectively against products coming from the more developed countries. Therefore the agenda includes a large number of industrial studies for single industries or groups of industries which can be established on a co-operative basis in this sub-region.

The emphasis given to industrial development is rightly placed. However, this should not obscure the need to co-operate also in our agricultural development. We all continue to import large quantities

of food from overseas. We shall not be importers but exporters of food products and exporters on a very large scale. Tourism is another industry which our countries can co-operate with substantial mutual benefits. Overseas tourists do not come to see a single country-- they come to see Africa. If we develop tourism in the right way, it could provide a very significant portion of the foreign exchange required.

Let us go back to industrial development. There is a great risk that we shall fail if we approach it piecemeal. Industries thrive not in isolation but in complexes. There is also a risk that we shall fail if we engage in a scramble for industries as if it were a gold rush. Therefore we must co-operate not only in a sub-regional location policy but also in tackling the problems of organization and infrastructure which are part of the industrialized process. The establishment of good communications, the harmonization of tariff policies, and co-operation in monetary matters, particularly with regard to exchange control are the most important.

Communications: The creation of better means of communication is the biggest single task that faces the East African countries in promoting industrial development. The need for a rail link between East and Central Africa is well known in Lusaka and I need not say much about it now. It is clear that this will be major engineering operation which will take a number of years to complete and which will require large sums of capital. But in addition to better rail communications, we also need better road, better air and better telecommunications. One hears of people who, when trying to book air tickets to Lusaka, are told that there are no seats available for three weeks. This is not the kind of air service which facilitates industrial co-operation and I consider that this Conference should set up a standing committee with representatives of the Governments and airlines concerned to consider how air communications between our countries, both for passengers and freight, can be improved. We also need far better trunk roads. We must have at least one good all-weather trunk road between each country. We must learn to think of roads which can carry at least 40 ton

road transporters and trailers. A considerable amount of work has been done on trunk road planning and I hope that we are now reaching the stage when the newly-opened African Development Bank and other sources of finance can help us to get the plans translated into action. By 1970 Kenya should have one of the best trunk road networks in Africa. We intend to spend nearly £20 million on trunk road development in the current plan and to complete a network of trunk roads which will run from the Coast to the Uganda border and from the Tanzania border to the frontier of Ethiopia. We will give the strongest possible support to international agencies for the allocation of more funds for road construction in our countries.

**Tariff Harmonization:** A second pre-requisite for industrial co-operation is a customs union between all countries of the sub-region. By such a union I mean a union with no internal tariff barriers and with a common external tariff. This is an objective which we must agree upon and set to work towards. As a first step we should start with a removal of tariffs in the trade of certain important commodities between our countries and particularly for those industries which we want to set up and which require the whole or parts of the sub-region as their markets in order to be economically feasible. As an intermediary step we should create a free trade area while we look into the very complex problem of our external tariffs on imports from the rest of the world. As a third step we should set up a customs union. Since an essential part of the policy of economic integration is that we must co-operate in the field of external tariffs, I would urge that we should appoint a technical commission to examine and report back on the problems of establishing a customs union between our countries. The longer we wait, the more difficult it will be to agree on integrated development. We should therefore agree on certain steps to be taken so that by 1970 at the latest we have completed the establishment of a customs union and even set up the foundations for a Common Market.

**Monetary Co-operation:** The third pre-requisite for effective industrial integration is a working system of monetary co-operation

which will facilitate trade and industrial investment between the countries. Such co-operation does not necessarily demand a common Central Bank. But we must have agreements on exchange control and we must strive to maintain the convertibility of our currencies. If it is agreed that industries should be allocated on a sub-regional basis and that all or a substantial amount of trade between our countries should be completely free from tariffs and other restrictions, then I think it follows that a standing committee of technicians must be set up to keep problems of monetary co-operation under continuing review.

We must give thought to the institutional arrangements that will be necessary to ensure that our aims are reached. We have in the ECA sub-regional office a small administrative nucleus for co-operation. We have also in East Africa, the East African Common Services Organization which already provides a framework for economic co-operation between the three East African countries. From my earlier remarks, I suggest that we need institutions for promoting co-operation between our countries and which can tackle:

- (a) Over-all planning co-ordination;
- (b) The planning and execution of co-ordinated trunk communications by road, rail and air— and where appropriate water also;
- (c) The formation of a customs union;
- (d) Monetary co-operation; and
- (e) Industrial allocation and organization.

While on this point, my delegation notes with great interest the suggestions put forward by the ECA Secretariat for establishment of an institutional framework to foster economic co-operation in this sub-region. I will defer my detailed comments on this subject until this item comes up for discussion. Needless to say, no effective co-operation among us can be secured and maintained in the absence of certain strong institutions for this purpose.

There is one very important problem which we must not forget— namely the unfortunate fact that Rhodesia, and Mozambique are not yet



full members of ECA while South Africa continues to deny herself the opportunity to be democratically represented at this Conference. Sooner or later they will be free democracies, and we must therefore take them into account when we plan the industrial future of free Africa. Therefore our talks and deliberations on industrial harmonization must reflect the roles which they will ultimately play in our community of free nations working together with us.

I would like to end with just one general remark. It is our experience in Kenya that rapid development in Eastern Africa will continue to be hampered until we reach agreement on effective co-operation. We believe that the only basis to industrialization in Africa is by cultivating and establishing a firmly based African market. It will be some time before we can hope to export manufactured goods to the developed areas of the world. Our own individual domestic markets are on the other hand too small to support a meaningful programme for industrialization. As things stand we are exposed to the intrigues and machinations of the big international business and investment combines. They play us off against each other; they make us compete in giving concessions and inducements; they prevent us from effectively establishing a trade and market policy in Africa and they undermine our development plans by holding off needed financial or technical support for our projects which may threaten their international programmes. If we are not careful we shall become soap, beer and soda manufacturing nations for all time. Every one of our so-called new industries is in fact controlled by a parent organization with an international programme to establish duplicate industries in neighbouring countries but demanding similar monopoly protection. Until we create a basis for co-operation in Africa, all our appeals at Geneva will produce no results.

We are all most grateful to President Kaunda for his address. He has been a champion of African unity. We also remember his role as Chairman of PAFMECA. It is fitting that such an important meeting should take place in the capital of this Republic.

ANNEX V

STATEMENT by Mr. R.K.A. GARDINER,  
Executive Secretary of the Economic Commission  
for Africa

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The origin of this Conference lies in the preliminary mission in 1963 on Industrial Co-ordination in East Africa, which was followed by a decision taken by the East African countries during the Sixth Session to hold a meeting on Economic Co-ordination in Lusaka. This decision was confirmed at the Seventh Session. Meanwhile work was put in hand in 1964. The Seventh Session also decided that similar meetings should be held in each of the other three sub-regions and these will be convened in Leopoldville, Tangier and Niamey in February, April and May, respectively, of next year.

The agenda before the meeting, Document E/CN.14/LU/ECOP.1/Rev.1 falls into three substantive parts: Section I puts forward proposals for the organization and modus operandi of inter-governmental machinery for sub-regional co-operation; Section II deals with industry; and Section III with other elements of economic co-operation.

I suggest that the present meeting should concentrate on Sections I and II and for this purpose you may find it convenient to set up two Committees of the Whole. The first of these would examine the agenda items in Sections I and III, and the second the agenda items in Section II. This arrangement might also be convenient since the first Committee would be the precursor, on the basis of the machinery the secretariat proposes, as I shall outline later, of the Council of Ministers and of the First, Third and Fourth Committees, and the second the precursor of the Second Committee. It might also be useful if the first Committee were to set up a sub-committee of planners. This would give effect to Resolution 145 adopted at the Seventh Session.

The decision to set up inter-governmental institutions to organize economic co-operation in each of the four sub-regions in Africa is based

on a number of considerations which are well known to you. I will refer only to the most immediately relevant ones. African countries have consistently held the view that the desired economic future of this continent can be assured only if the limitations to economic opportunity imposed by the political boundaries which we have inherited from history can be overcome by co-ordinating the development processes of the individual States. Africa can aspire to the highest levels of economic and social progress if the resources of the different parts can be pooled and used in a co-operative effort in development.

In working towards this goal it has become obvious that we must move in stages. The first is to bring together the economies of neighbouring countries in the different natural zones of the continent and install at the most advantageous points within each zone multi-national enterprises to supply the countries with commodities and facilities which, standing individually, they could not provide for themselves. In the light of the physical and economic facts, it was decided that by grouping the continent into four sub-regions we could establish economic units of manageable and efficient size in a large number of countries, though not in all.

The countries which belong to each sub-region have to learn to co-ordinate their economic policies and development activities. They have to get together to agree on a number of projects which will promote the progress of the sub-region as a whole. And they have to create institutions able to assure the scheduled implementation of these projects. The arrangements between the countries of each sub-region must ensure that as far as possible the pattern of development instituted by the countries of the area is the most economical, efficient and dynamic that can be designed given the sub-region's endowment of natural resources and the appropriate creation of skills, man-made capital and economic institutions. No less important, they have to ensure that the rate of progress benefits all the countries of the sub-region according to an agreed pattern, and that the prospects for economic advancement of each country are substantially enhanced by participation in sub-regional arrangements beyond what they would be in the absence of such co-operation.

Systematic large-scale co-operation in economic development is a new field of activity for the African countries. In fact all over the world economic integration among a number of independent sovereign countries is a process whose benefits are intellectually quite obvious but with whose practical details many statesmen and economists have little experience. Moreover it is readily apparent that a process of integrated development such as the East African countries are now being invited to embark upon is one that will take a long period to show its full results and during that period will throw up expected and unexpected problems and opportunities in a constant stream. Nobody can provide ready-made answers once and for all to guide the whole process to its close. What we have to do is to set up permanent machinery through which the governments can regularly consult with each other and make decisions based on their enlightened national interests and on the spirit of African solidarity.

The decisions that have to be made to govern the long-term development of the countries of the sub-region are decisions involving the most intimate functions of each government. The future of the people to whom each government is responsible is bound up with these decisions. Therefore the governments need to know clearly what their respective obligations, opportunities and rights will be under this co-operative arrangement. At the same time, since inter-governmental co-operation for economic development is so new, each government will want to preserve enough scope for the exercise of its own national responsibility in this most important field. The suggestions made in document E/CN.14/LU/ECOP.8 for inter-governmental institutions to be set up in the East African countries attempt to reflect the wishes of the countries of the sub-region, so far as the Secretariat has been able to ascertain them concerning the major principles which should govern economic co-operation between them. This meeting is invited to agree on a final set of principles. It is suggested that following such agreement, arrangements be made to translate these principles into a formal Treaty between the countries of East Africa under which will be set up an Economic Community for East Africa.

The recommendation of the Secretariat of the ECA is that this Treaty should provide for an inter-governmental consultative body composed of ministers, supported by four principal technical organs to deal with the most immediately important aspects of joint action. It is suggested that a Council of Ministers be set up charged with the responsibility for administering the Treaty and for reaching final agreements on all specific proposals for co-operative development. It is further suggested that this Council of Ministers be advised on matters of general policy by an Economic Committee consisting of senior planning officials from the countries of the sub-region. This Committee should also prepare the negotiations under the Council of Ministers and between it and governments and other bodies, and for the present deal with all aspects of economic co-operation which are not remitted to special committees. It is further suggested that specialist technical organs be set up to deal in particular with Industry, Transport and Communications, and Trade - the three areas in which, on the basis of the studies so far carried out, the countries of the sub-region can most likely proceed in the near future to concrete decisions and actions.

In the field of industry, the documents to be discussed at the present conference provide the basis for the East African countries to proceed immediately to the drawing up of technical blue-prints for the setting up of a number of major basic industries to serve the whole sub-region or various groups of States which form convenient markets for a single plant. Let me emphasize, however, that industrial development in the sub-region should be as much concerned with the promotion of viable small- and medium-scale industries as with the setting up of large-scale industries. The major part of the benefit, especially to the smaller countries, of membership in such institutions should be that the creation of a new large market area such as the one that would be embraced by the East African Economic Community, with nearly 70 million inhabitants, adds increased strength to and hence opportunities for national industrial development.

Economic co-operation in the East African sub-region will be strengthened insofar as goods, capital and management can move freely

between the countries of the area together with greater mobility of labour. There already exist transport networks covering the countries of the former British East Africa and of the former Federation of Rhodesia and Nyasaland. These existing systems must be linked up, and the other countries of the sub-region must be connected to them to form part of the infrastructure of a truly sub-regional economy. Modern means of telecommunications must also be installed between the Member countries of the Community to facilitate their trade and industry. The proposed Committee on Transport and Communications can proceed immediately to decide on, and jointly promote the implementation of a number of obvious links that are already required to serve the existing complex of trade and production in the sub-region. As the pattern of the location of new industrial and agricultural development is further defined through sub-regional agreements, new transport links and additions to the existing network will have to be constructed. It is of the utmost importance that progress in the development of a transport network keep sufficiently ahead of the development of agriculture and industry so that a smooth process of economic expansion can be achieved in the sub-region.

The reality of the existence of the Economic Community of East Africa should also be signified by the intimacy of the trade relations that grow up between the countries of the sub-region. The new enterprises in agriculture, industry, power, transport and telecommunications which are set up as a result of inter-governmental agreements should be assured of economic viability through suitable trading agreements which permit these enterprises to take full advantage of mutual exchange of goods and services within the sub-regional market. It is therefore suggested that the countries of the sub-region proceed in the near future to an agreement on the basic principles of the trading regime that will subsist between them as the essential and central institution of the Economic Community.

Let me emphasize, however, that the responsibility for setting up and running inter-governmental institutions to promote the development of the sub-region belongs to the East African governments themselves. The ECA and other United Nations agencies will help the

governments to achieve whatever concrete tasks or general objectives they agree on. But the negotiations needed to define, and agree on, these tasks as well as the efforts required to secure their implementation should clearly be understood to be the responsibility of the governments themselves.

It is neither feasible, nor really necessary at this stage, for the governments of the sub-region to create anything analogous to a civil service apparatus to run the Economic Community. It is suggested that the East African countries nominate a group of four senior officials each to serve as secretary to one of the principal sections of the work programme of the Community.

Section II falls into three parts. The first two parts consist of a series of studies on heavy and light industries. I do not feel that you will wish to examine these papers in detail during the Conference. Together they form a comprehensive series of documents on almost all branches of feasible East African industries. These documents have been prepared during the last year or so by the Secretariat and consultants, including specialists put at our disposal by some of the bilateral donor countries, to whom I would like to express our sincere thanks. You will, however, wish to examine in detail the papers in Part 3 on Industrial Financing and Investment Legislation, Industrial Research, Standardization, and in particular the document which, drawing on the individual studies, sets out on a comprehensive basis proposals for integrated industrial development throughout the sub-region and the benefits, direct or indirect, which would accrue to all countries.

The scheme put forward for the co-ordinated industrial development of the sub-region implies increasing the level of GDP from a little under  $5\frac{1}{2}$  billion US dollars in 1961 to over 10 billion in 1975. The annual growth rate over the whole period would be  $4\frac{1}{2}$  per cent, and in fact over 5 per cent from 1964-1975. This is not an unduly ambitious rate of growth. Gross industrial output would increase by nearly  $3\frac{1}{2}$  billion dollars, value added by over 1.3 billion dollars and employment from 550,000 to 650,000. Investment in fixed capital required

is rather more than  $3\frac{1}{2}$  billion dollars. For some industries the optimum scale of output is very large and a limited number of plants, sometimes only one, are proposed, e.g., iron and steel, fertilizers, viscose rayon and polyethylene.

It is demonstrated in the course of the papers that an integrated pattern is essential not merely in the case of industries like iron and steel, fertilizers and viscose. Large product groups, like textiles, clothing, pharmaceuticals and food products are characterized by an immense range of end products, and no country in the sub-region by itself could hope to produce viably more than a part of its requirements. This handicap could be larger in the case of smaller countries and somewhat smaller in the case of others.

A further source of co-operation is to be found in the miscellany of current industrial imports, which are often not even reported fully in the statistics of the countries concerned. These items are individually small in absolute volume, but are numerous enough to become a significant source of industrialization if tackled on the sub-regional level. A paper on small industry brings out the possibilities in this field.

Throughout, proposals put forward take into account the advantages of international specialization on all products of an industry or on one or two major products within an industry. A deliberate attempt has been made to show how industry or branches of industry can be shared throughout the sub-region to the benefit of all. These proposals are not put forward by the Secretariat in a spirit of dogmatic assertion. But it is hoped to show, perhaps indeed prove, that each country will grow faster on the basis of a scheme of this kind than it would if it were to plan industrial development on a strictly national basis. At the same time provision is made for the weaker countries to grow faster than the rest so as to counteract the tendencies to inequality.

At present national development plans in East Africa have been drawn up independently. If a comprehensive sub-regional industrial



development scheme of the kind suggested is accepted, national development plans will have to be adjusted accordingly.

The papers on financing are intended to show first that a much greater effort to provide domestic finance is required and that this is possible. Secondly, it is shown that an immense amount of external finance is required particularly at the early stages of the effort. Furthermore, if the burden of indebtedness is not to rise to impossible levels, the proportion of grants to loans will have to increase. In this context a sub-regional approach to the creation and expansion of export industries is required to match the growing burden of indebtedness.

A marked effort will have to be made to increase absorptive capacity of the poorer countries and this should be the most urgent goal of foreign aid. In particular this means high domestic finance and tax revenues, general stability, the creation of debt service capacity and improvement of infrastructure, in particular through training of manpower of all kinds.

One of the papers discusses the important problem of attracting foreign development finance and recent improvements in this direction, e.g., the World Bank's Convention for the Settlement of Investment Deposits, the scheme proposed by the OECD for a multi-lateral guarantee of foreign investment against non-commercial risks, and the World Bank's scheme being worked out for compensatory development finance. The systems of investment guarantees and investment codes are also discussed. The sub-regional industrial schemes proposed are bound substantially to increase the profitability of investment and therefore the attractiveness of investment for foreign finance.

Another paper recommends the establishment of three new institutes in the field of industrial research: for food; metals and light engineering; and fibres, rubber and plastics; together with the take-over of the existing Building Research Institute in Ethiopia and the EAIRO and Materials Testing and Research Laboratories in Kenya, all to be administered and directed by an East African Council of Industrial Research

and Development. The United Nations Special Fund is likely to assist if requested in promoting such a scheme. Associated with it, as is examined in another paper, might be the establishment of a Sub-regional Standards Institute or Association, the main functions of which would be to co-ordinate the work of the national standards bodies and carry out studies on standardization. Such a sub-regional Institute would also be able to co-ordinate the work of the already existing or planned multi-national bodies, e.g., the Standards Association of Central Africa and a possible institute for Kenya, Tanzania and Uganda.

Before leaving industry one last point should be made. If multi-national and sub-regional industries are to be set up at all it will be necessary, given the wide differences in industrial and commercial legislation, to negotiate a Convention for a common type of East African Company.

The documents listed under Section III of the agenda are essentially of a background character. To the extent that you wish to examine them during the Conference this could conveniently be done in the first Committee of the Whole suggested.

Work is proceeding in the ECA Secretariat on the different topics covered by Section III of the agenda. If called upon we shall be in a position, in the course of next year, to contribute to the work of the Council of Ministers for Economic Co-operation in East Africa and its supporting committees.

We are pursuing, in the light of the Conference held last year in Addis Ababa on air transport, the possibility of consolidating the airlines in East Africa. A study on maritime transport in East Africa is almost completed. As part of a series of studies on inland transport links among groups of African countries being carried out largely through groups of experts put at our disposal by some of the bilateral donors, we hope by the middle of next year to put forward substantial proposals for East Africa. Work is continuing on the ITU/ECA Telecommunications Plan.

Sub-regionally integrated development cannot, of course, be based on industry alone and (as indicated in E/CN.14/LU/ECOP/6) a major working paper on the prospects for supply of and demand for food in East Africa will be prepared in the course of 1966. Agriculture is still the largest industry in the sub-region, employing two-thirds of the population and accounting for more than 40 per cent of GDP. There is large scope for import savings and for earning foreign exchange. Food is required for the growing population and to match rising incomes. It should be remembered that the population of East Africa is expected to rise by some 24 million in 1975 compared with 1961, and that industrialization can provide employment outlets for only a fraction of this increase. Agricultural development is also required for industrial development. Savings are not absorbed; on the contrary they rise and contribute to the manufacturing process. Finally, there is substantial scope within the sub-region for agricultural specialization.

We are ready if required and in the light of decisions taken to promote integrated agricultural and industrial development, to examine in detail a possible code of rules governing a Common Market for East Africa as a whole. It would comprise proposals for interim internal and external duties and ultimate common external duties and related problems. We are also ready if required to work on problems of monetary and fiscal co-operation in East Africa including the development of a common investment code.

Energy is another field where there is scope for integrated development in East Africa. A paper has already been prepared on petroleum and we are working on problems of electric energy.

Manpower and training is another field where there is much to be done and much to be gained from co-operation. We have circulated two background papers and are ready to continue our work.

Apart from work still to be done along the lines I have indicated much more is required if the proposals for industrial development before this conference are to be translated into reality. The studies we have made are essentially of a preliminary character. The next

steps are specific studies on economic and technical feasibility, engineering studies, and financing. Much of the work to be done is beyond the present resources of money and manpower of the East African countries and of the ECA Secretariat. What we can do, however, is to seek the assistance of the United Nations Special Fund, the International Development Association and other international financing agencies, as well as bilateral donors. We are ready to work with individual governments and especially with whatever new inter-governmental machinery may be established, in working out rapidly a detailed and concrete plan of action.

Before you close your deliberations here I should like to ask you to set out in fairly precise terms the assistance of all kinds that you would like the ECA to provide or procure from other sources on behalf of the new Organization for East African Co-operation which I hope you are going to establish.

Finally, I think it is necessary to pin-point certain facts in connexion with the tasks which we are about to set ourselves:

- (1) Neither the United Nations, its Specialized Agencies, nor the ECA should be regarded as a substitute for colonial governments and to be blamed for lack of progress in newly independent States. One fact about independence is that there is no one to blame except the government in power. The United Nations and other international agencies appreciate the formidable challenge to newly independent States and stand ready to help, but heaven helps those who help themselves.
- (2) International economic co-operation is no substitute for national effort. In other words, the responsibility rests with individual countries to take initiatives for economic advancement. When objectives and specific projects have been defined these can be co-ordinated with those of participating countries in a co-operative effort. We are here to harmonize interests and to determine a programme which will satisfy the needs of all participating countries.

- (3) It is possible to gain immediate advantages by maintaining links with more advanced non-African economies. Individual countries need to earn foreign exchange to finance their economic development but have to strike a balance between indefinite dependence and a programme of investment which will bring about basic structural changes. Difficulties encountered by the sponsors of the Latin American Free Trade Area should be a warning to us. Mexico, for example, finds it immediately more profitable to do more business with the United States than with her Latin American neighbours. For some time production and transport costs may make it difficult to justify the institution of industries in Africa to compete with the more advanced countries. I would like to plead with this meeting not to waste time discussing the association of some African countries with the Common Market or the imperial preference system. A pragmatic approach to such problems will be more rewarding. From the results of our deliberations if concrete developments emerge, we will then be in a position to negotiate difficulties.
- (4) The documents submitted to this conference will be of considerable interest to foreign industrial concerns who may be tempted to induce individual countries to insist on the realization of their immediate parochial interests. The integration of the motor industry in Latin America, for instance, is now being opposed by foreign corporations who have production or assembly facilities and guaranteed local markets. It has been estimated that there is room for only one or two car factories to serve the whole of Latin America but, at present, there are forty plants owned by a dozen or more foreign companies operating in six countries. All of them are of course operating below capacity. This can happen to African countries in practically all the major developments which this conference will discuss.

- (5) There are technical difficulties which can be overcome. Manpower shortages may make it difficult for us to come to grips with the realities of the situation. Then there is the question of finance. I have already mentioned the difficulty which may arise from foreign interests, but I feel that the hardest problem will be concerned with our efforts to overcome national and individual selfishness.

ANNEX VI

STATEMENT

by

Monsieur Claude Segbenou

Representative of the Administrative Secretary-General  
of the  
Organization of African Unity

Mr. Chairman, Honourable Delegates,

Above all, I would like to convey to you the brotherly greetings of the Administrative Secretary-General of the Organization of African Unity, together with his best wishes for the success of your work. Nobody in this august audience will be surprised to know that, if the Administrative Secretary-General had not to comply with the special obligations that derived from the session of the Assembly of Heads of State and Government being held in Accra, he would have been glad to be personally among all of you in this hall, to mark the special interest he has for your sessions. This special interest is in keeping with the primary place reserved to economic co-operation in the aims and purposes of the Organization of African Unity.

Indeed, our Organization Charter says in its Preamble that it should be the duty of all African Chiefs of State and Government to put the natural and human resources of our Continent at the service of the over-all progress of our peoples in all fields of human activity. Among the ways and means defined by this Charter for the implementation of this over-all programme, the co-ordination and harmonization of national policies in the economic field have been placed in the first ranks. This is, in our Organization's view, because the strengthening of the political independence can be conceived only with the positive achievement of the economic independence; and this, necessarily, implies co-ordination and intensification of African co-operation with a view to develop jointly the natural resources of the Continent, to set up

Africa as a worthy partner in the international trade field and, beyond all this, to ensure to African peoples improved standards of living, so that they can achieve their full accomplishments.

This basic philosophy, which meets the concrete realities of independent Africa, which shows that all Africans are now aware of the shortcomings caused by the division of economic life, this philosophy which is an answer to a legitimate aspiration for justice and dignity, has found in the work of our Economic and Social Commission, which is a base for the ambitious programmes of our political bodies, an ideal background for action. While I do not intend to enter into the details of this Commission's recommendations, I would like to refer to the following points that will from now on be the guiding lines of the OAU in its work for a rapid development in Africa:

1. Review of the various studies on economic development by countries and sub-regions as well as by sectors of African economies, in order to integrate the existing projects in the best way possible, with a view to formulating in better terms the new projects to initiate on a sub-regional, or even Continental, basis.
2. Consideration of the various factors relating to the costs of the individual projects the implementation of which is beyond the resources of one State and is accordingly more suitable to a multi-national approach.
3. Co-ordination of industrialization with a view to producing for the internal markets goods intended to take the place of import goods, which will make it possible to supply employment to African manpower, to save valuable foreign exchange and to extend the field of intra-African exchanges, all these being among the most reliable ways and means to promote African solidarity and unity, the foundations of which were laid down in Addis Ababa, and the achievement of which should be the daily concern of all African leaders.



4. Consideration of the problem of the minimum size of markets and establishment of areas of co-ordinated planning which would produce for their mutual benefit.
5. After negotiations between countries of a same area, finalization of agreements on the rationalization of the sites selected for the production infrastructures, on their administration, operation, and also on preferential tariffs and distribution of the profit of the African factories.
6. Harmonization of the policies of all viable economies, in order to enable them to take advantage of their complementarity.
7. Working out of sub-regional development programmes, with a view not only to import substitution with regard to consumer goods and products of the light industry, but also with a view to developing industrial plants so that the needs of all African peoples can be met by manufactures and capital goods produced locally, in Africa.
8. Finally, training, and wise selection of skilled technicians and workers, with a view to arriving at an adequate productivity in terms of magnitude and quality, in order to cope effectively with international competition and to stave off all dangers brought about by dependence from abroad.

Mr. Chairman, Honourable Delegates, the foregoing, short as it is, is enough to prove that the initiative of the Economic Commission for Africa, to which the best conditions for success are ensured from the onset by the co-operation of the African States and the active assistance of the Government of Zambia, is in keeping with OAU's prime concerns. The Administrative Secretary-General believes that the wise discussion of the working documents submitted to this Conference will make it actually possible to harmonize the industrial development in East Africa. These documents, which cover various points of the provisional agenda, give a comprehensive picture of the over-all situation and of the problems arising from each of the development sectors; they are

likely to provide the experts with a basis for defining the guiding lines for co-operation among the countries of the East-African sub-region. The catalogue of the natural resources, of the known potentialities, of the infrastructure development, and, in many sectors, positive data on the financing of some projects, are actually those factors the experts in these development sectors need to be aware of the complementary nature of their economies and the necessity to join their efforts in order to obtain a more rapid and rational development.

All this gives an additional value to parts I and II of the provisional agenda and opens up new fields for research and action to those who are interested in the expansion of industrial development in East Africa in such diverse fields as metallurgy, textiles, leather or chemical industries. There is not much to say either on part III of this draft agenda which is laid out in such a way as to allow member States to review the shortcomings of their economies resulting from competition in the search for financing sources and from the lack of harmonization in investment systems; all these factors make it difficult for multi-national projects to obtain the sympathy of those who can provide external help. The conclusions, or even decisions, best adapted in that respect will be those which will ensure the harmonization, between the various entities which make up the sub-region, of legislations relating to investments and industrial research in general. This brief analysis of a part of your agenda shows clearly that the task you are tackling now has been sufficiently prepared in advance so as to put you in a position to meet the legitimate aspirations of the peoples of East Africa towards a rapid economic and social development, which necessarily entails the pooling of resources and efforts.

While the Organization of African Unity can only be satisfied with this state of affairs, it is its duty, however, to keep in line with the mottoes of its Charter and the positions adopted by its political bodies in this basic field of the economic development of the continent. It must be recalled here that, in our opinion, while economic development

must necessarily start with regional co-operation it must result in a broader co-operation, allowing for an integration of the resources of the whole continent into a vast production complex which would impose Africa as a responsible partner on the international markets and give her a voice in the field of international trade. In order to keep in line with this basic principle of the Organization of African Unity, which arises from the most realistic and progressive approach to the affirmation of the economic independence of our continent, it is necessary that the action envisaged in part IV of your draft agenda be considered according to the spirit and the letter of a real integration of the whole of Africa; it is therefore necessary also to adopt measures through which the efforts undertaken by East Africa will be linked with similar efforts and research now in progress in other parts of the African continent.

Whatever progress this sub-region can achieve towards the harmonization of its development, East Africa will always remain largely dependent on what will be done in West, Central and North Africa. Moreover, the industrialization of East Africa can but find new strength in the opening of this sub-region to other areas of African development, through the availability, in Africa itself, of complementary sources of raw materials or energy, of larger markets, in short, of general economic conditions more favourable than those provided by non-African countries. It is therefore necessary that the action envisaged be planned in harmony with the development of the African continent as a whole, so as to avoid the danger of Africa, which is now overcoming the fragmentation of its economy, restricting its development according to a sub-regional pattern thus perpetuating its dependency on external powers.

In order to be positive, any evaluation of the economic situation of East Africa must be defined in relation to that of other sub-regions and the emphasis must be put on the complementarity between the various sub-regions, so that rules may be drawn up for the use of this state of affairs to the benefit of all the member States of OAU. Among those rules, let me quote, since they are the most obvious ones, those through

which East Africa gives priority to the other sub-regions in the supply of natural resources and manpower it is unable to provide by itself; as well as those through which, after having met its own requirements, it expands towards the African markets and gives them access to its own.

These two basic principles appear, at the opening of this Conference, to be best suited to guide our work and gear it towards the goals defined by the Organization of African Unity of which all participants in this meeting are member States. What they imply in relation to the definition of technical standards for production and for the establishment of infrastructures taking fully into account and harmonizing the efforts undertaken in the other sub-regions, is that the harmonization of economic, social and monetary legislations it requires among the various areas of the continent, may not fall immediately within the scope of your present responsibilities, but it is imperative that you keep all this in mind in the course of your discussions so that the Lusaka Conference may be rightly counted among those important meetings in which not only the peoples of East Africa but those of the whole African continent place great expectations for the realization of a young and prosperous Africa.

Because the political bodies of OAU have set the basis for this new Africa, because, from one Conference to another, they define more clearly its requirements and its conditions, the General Secretariat of OAU wishes, by its presence here, to bring its modest contribution to your work so that it helps in strengthening and accelerating the implementation of the aims set by the African leaders in May 1963.

ANNEX VII

THE ECONOMIC COMMUNITY OF EASTERN AFRICA

Resolution adopted by the conference at its plenary meeting on  
29 October 1965

The Conference on Economic Co-operation in Eastern Africa,

Bearing in mind the decision of the Heads of States and Governments of Africa to work for the economic unity of the continent,

Responding to the resolutions passed by the African Governments as members of ECA to approach pan-African economic unity through sub-regional economic co-operation as a first step,

Having studied the proposals of the secretariat of the ECA in this regard,

1. Recommends to the Governments of Eastern Africa that they formally establish the Economic Community of Eastern Africa under a Treaty to be drawn up;
2. Advises that the Treaty, and the Community to be established under it, take the forms described in the Annex to this resolution;
3. Recommends further that the Governments of Eastern Africa set up an Interim Council of Ministers to draw up the Treaty and to carry out measures of economic co-operation pending the ratification of the Treaty;
4. Calls on the Governments of Eastern Africa to signify their acceptance of these recommendations to the Executive Secretary of the Economic Commission for Africa within three months hereof.

I. The Economic Community of Eastern Africa

1. The Conference recommends that the governments of the sub-region of Eastern Africa establish the Economic Community of Eastern Africa. The governments should communicate their acceptance of this recommendation within three months to the Executive Secretary of the Economic Commission for Africa.
2. The Community should be set up through a formal Treaty. The Conference also recommends that the governments of Eastern Africa set up an Interim Council of Ministers to draw up the Treaty and to carry out agreed measures of economic co-operation pending ratification of the Treaty. The Interim Council of Ministers should be set up within four months hereof provided that these recommendations have been accepted by at least six governments within the sub-region, or earlier if all governments have accepted before the end of the three month period referred to in paragraph 1.
3. The Treaty should commit the member governments to enter into joint consultations and negotiations, with a view to the integrated development of the sub-region, especially in the fields of industry, agriculture, transport and communications, trade and payments, manpower and natural resources.
4. The manner and degree of integration to be achieved in each field, as well as the time at which each area of co-operation is to be embarked upon, should be the subject of deliberation and decision by the principal organ established to manage the Economic Community.
5. The organs of the Economic Community should provide a forum for the discussion of the various lines of economic development that are of mutual interest to the countries of the sub-region. The decisions on matters of major policy arising from these inter-governmental discussions and negotiations should be subject to adoption by the participating governments through a form of ratification to be spelt out in the Treaty. The procedures should specify that the ratification by Member

governments of the decisions on major policy taken by the proposed Council of Ministers should be signified under the signature or seal of the Head of Government.

6. The implementation of decisions reached in the organs of the Economic Community will in general be the responsibility of the individual governments. In ratifying the Treaty setting up the Community, each government should undertake the obligation for ensuring the firm adoption in its own country's programme of the decisions taken under the Economic Community and duly ratified, including the incorporation of jointly agreed projects in national development plans and the provision of budgetary and other resources for their implementation on due dates.

7. The Treaty setting up the Economic Community of Eastern Africa shall be reviewed after every ten years, providing that there may be extension in its scope or review of its functions during the ten year period if such review or extension is supported by all Member governments.

## II. The Council of Ministers

8. The Treaty should establish as the principal organ of the Economic Community of Eastern Africa a Council of Ministers, on which each Member country would be represented by ministers responsible for planning or economic affairs, or by a minister otherwise designated by the government.

9. The agreement in principle of the governments of the sub-region to any proposals for integrated development should be deemed to have been signified when the Council of Ministers approves such proposals. Ministers appointed to serve on the Council should therefore be specifically mandated through the usual constitutional means to take preliminary engagements on behalf of their governments subject to the final ratification mentioned in paragraph 5 above.

10. Within the areas of joint action accepted by the governments under the Treaty, the Council of Ministers should lay down in reasonable detail the lines of development to be undertaken jointly by the governments of Eastern Africa.

11. The Council of Ministers should be empowered to set up such subsidiary committees, either at the ministerial or the official level, as may be found necessary to work out programmes and agreements in specific areas of economic co-operation.

12. The Treaty should provide for decisions in the Council of Ministers to be taken on the basis of a consensus reached after full negotiation and discussion. Decisions on matters which the Council of Ministers itself decides to classify as matters of over-all policy should require the approval of all the parties to the Treaty. The Treaty should contain provisions which will serve as a guide to this classification. In addition, it should be provided that no decision can be taken which involves action of a certain specified character by an individual member without the consent of that member. A provision should be inserted reserving the right of countries, members of the Economic Community, to take joint action on any matters without the consent of other members of the Community, so long as such action does not prejudice the objectives of the Treaty or conflict with programmes adopted by the Council of Ministers. The voting procedures prescribed above should apply to the work of the Interim Council of Ministers.

13. The Council of Ministers should also be responsible for the negotiation of specific agreements on individual projects or on regimes of trade and payments, among the countries or on behalf of the Community, within the over-all framework of the Treaty. Some of the discussion regarding the drawing up of such agreements may, of course, be entrusted to the Economic Committee or to any ad hoc body set up for the purpose. But the Council of Ministers should lay down the terms of reference, working programme and guiding principles in every case.



Such specific agreements may also be drawn up to cover the joint development of various branches of industry, or the joint running of various services in transport and communications, research, etc.

14. The Council of Ministers should be responsible for the interpretation of the responsibilities assumed by the various governments, both under the general Treaty setting up the Economic Community and under specific agreements. It should also supervise, on a continuing basis, the working of all these agreements.

### III. The Economic Committee

15. The principal technical organ under the Council of Ministers should be an Economic Committee composed of officials and experts who, in their own countries, are charged with the main responsibility for aspects of national planning and development at the technical level. This Economic Committee should advise the Council of Ministers on all aspects of its work, including especially (a) the formulation of general policies of integrated development; (b) the drawing-up of work programmes for the Council of Ministers and any subsidiary organs that the Council may set up; (c) the elaboration of the principal outlines for specific agreements between the Member governments; (d) the harmonization of national development plans in the areas chosen for integrated development, including the identification of objectives which deserve priority and the setting up of time-tables for the implementation of various lines of joint development; (e) the consideration of all areas of integrated development which are not assigned to other subsidiary organs, including especially agriculture, industry, trade, finance and investment, protection and pricing, and the recommendation, where necessary, of such other bodies as the Council of Ministers may usefully set up to deal with these subjects; (f) the examination of proposals by other subsidiary organs and the integration of these into consistent programmes for adoption by the Council of Ministers; (g) the preparation in all other ways of the work programme and the meetings of the Council of Ministers; and (h) the supervision of the work of the Permanent Secretariat of the Community.

16. Pending the ratification of the Treaty the governments of Eastern Africa should establish an interim Economic Committee with the same composition and functions as outlined in paragraph 15 above.

17. The Economic Committee should meet fairly frequently, at least three times a year to start with. It should, as far as possible prepare the consensus on all matters for adoption by the Council of Ministers, and where such consensus is not possible, it should define the possible alternatives for the negotiations at the Council of Ministers.

#### IV. Permanent Secretariat

18. The countries of Eastern Africa should provide in the Treaty for the establishment of a Permanent Secretariat. The Interim Council of Ministers should determine the scope of these provisions.

19. Until they are able to recruit their own personnel and establish a budget for the running of the Secretariat the countries of the sub-region should ask the Economic Commission for Africa to assist the Community in obtaining and paying for regular personnel, administrative facilities, and technical and consultancy services based on the sub-regional office of the Economic Commission for Africa in Lusaka.

### A COMMON AIRLINE FOR EASTERN AFRICA

Resolution adopted by the Conference at its plenary meeting on  
29th October 1965

The Conference on Economic Co-operation in Eastern Africa,

Being fully aware of the air transport needs of the sub-region, as well as the programme of activities initiated by ICAO and ECA in 1964,

1. Reaffirms the urgent need for the unification of the airlines belonging to countries of the sub-region;

2. Requests the interim Council of Ministers to seek the immediate commitment of the governments of the sub-region to this project so that realistic negotiations can commence;

3. Requests the governments of Eastern Africa to consider interim measures for a substantial increase in the frequency of air contacts between countries of the sub-region and the development of links between countries which are not now connected with regular air routes;

4. Requests the interim Council of Ministers to recommend to the governments of the sub-region to provide adequate financial support to enable such contacts to be initiated or increased.

#### AGRICULTURE

Resolution adopted by the Conference at its plenary meeting on  
29 October 1965

The Conference on Economic Co-operation in Eastern Africa,

Fully aware of the growing food requirements of the rapidly increasing population,

Recognizing the need to improve agricultural productivity in order to increase inter-state trade in agriculture products,

Bearing in mind the potentialities for increased sub-regional trade in agricultural commodities arising from the pattern of surpluses and shortages in the area based partly on seasonal factors,

Conscious of the important role which the processing of agricultural products can play in the economic advancement of the sub-region;

1. Requests the interim Council of Ministers to formulate at the earliest opportunity a food policy for the sub-region taking into account the demographic and nutritional situation and as a guide to the agricultural planning of Member countries;

2. Requests the Economic Commission for Africa and the Food and Agriculture Organization, in view of the diversity of natural conditions in the sub-region, to pay particular attention in their studies to the possibilities for agricultural specialization leading to enhanced production efficiency in agricultural production;

3. Requests the interim Council of Ministers to put in hand preparations, through technical studies, Special Fund projects, and other suitable means for the exploitation of the opportunities for sub-regional specialization, diversification and better utilization of the agricultural resources of the sub-region;

4. Requests the interim Council of Ministers to aim at the encouragement, and full liberalization at an early date, of sub-regional trade in agricultural products.

#### TELECOMMUNICATIONS

Resolution adopted by the Conference at its plenary meeting on  
29 October 1965

The Conference on Economic Co-operation in Eastern Africa,

Conscious of the limitations in inter-state communications which hamper the development of the economies of the countries of the sub-region,

1. Reaffirms the importance of the ITU/ECA programme of establishing telecommunications links with all the other sub-regions of Africa and requests the interim Economic Committee to instruct the representatives of the sub-region on the Working Party on Transport and Communications accordingly;

2. Requests the interim Council of Ministers to study the possibility of establishing direct telecommunications links between all countries of the sub-region within a period of five years;

3. Recommends that the governments of Eastern Africa signify their support of the proposed linking up of telecommunications circuits between the Eastern and Central African sub-regions.

TRANSPORT

Resolution adopted by the Conference at its plenary meeting on  
29 October 1965

The Conference on Economic Co-operation in Eastern Africa,

Recognizing the need to develop transport facilities which will give access to sub-regional markets and render manufactures and other articles of the sub-region relatively competitive with products of other parts of the world,

Fully aware of national transport programmes, as well as the transport surveys being undertaken under the auspices of the Economic Commission for Africa with the aid of bilateral donors,

1. Requests the interim Council of Ministers to initiate at the earliest possible date the study of an integrated transport network to serve the needs of sub-regional trade and promote economic co-operation among Members of the Community, including especially the harmonization of existing national plans for the development of transport;
2. In this connexion, asks the governments of the sub-region to facilitate and expedite in every way the preliminary studies now being conducted by the Member governments, by the Economic Commission for Africa and by other agencies;
3. Requests the interim Council of Ministers to lend their collective support to interstate rail/road links, such as the proposed Tanzania-Zambia and the Kenya-Ethiopian projects;
4. Further appeals to the United Nations Special Fund and the governments of the capital-exporting countries to assist in every possible way the early realization of an integrated transport network to serve the Economic Community of Eastern Africa.

TRADE

Resolution adopted by the Conference at its plenary meeting on  
29 October 1965

The Conference on Economic Co-operation in Eastern Africa,

Realizing that one of the primary purposes of the Economic Community of Eastern Africa is to foster interstate trade,

Fully conscious of the activities now being sponsored by the United Nations under the UNCTAD programme, to promote trade and development in developing countries,

1. Affirms the need for the complete liberalization of trade within the sub-regions as an essential element of the Economic Community of Eastern Africa;
2. Recommends that the Community aim at the progressive elimination of all internal trade barriers within a period of ten years; provided that immediate steps be taken to guarantee sub-regional and multi-national markets for the products of sub-regional and multi-national industry recognized as such by the Community, as well as of agriculture;
3. Requests the Interim Council of Ministers to initiate negotiations for the establishment of a full customs union between Members of the Community in a target period of ten years, including the degree of protection needed to assure the viability of sub-regional and multi-national industries;
4. Requests the Economic Commission for Africa to extend to the Interim Economic Committee and the Interim Council of Ministers all the necessary assistance for the study and negotiation of these matters, including studies on the fiscal and economic effects on Member countries of the proposed trade liberalization.

## TOURISM

Resolution adopted by the Conference at its plenary meeting on  
29 October 1965

The Conference on Economic Co-operation in Eastern Africa,

Conscious of the foreign exchange potential of tourism,

Aware of the growing interests of tourists in Africa, particularly  
in the countries of the sub-region,

Desirous of promoting and fostering such interests, and in order  
to attract tourists and facilitate their movement in the sub-region,

1. Recommends that governments should co-ordinate their tourist  
programmes, promotion practices and other facilities, and invites the  
interim Council of Ministers to give the most urgent attention to this  
matter;

2. Invites the interim Council of Ministers to discuss with the  
Member governments appropriate steps to be taken in regard to the  
formalities involved in the movement of tourists within the sub-region,  
with a view to facilitating easier movement;

3. Invites the interim Council of Ministers to study with Member  
governments measures aimed at increasing tourism among the citizens  
of the Member states.

## TECHNICAL AND PROFESSIONAL MANPOWER

Resolution adopted by the Conference at its plenary meeting on  
29 October 1965

The Conference on Economic Co-operation in Eastern Africa,

Recognizing shortages in the amount of skilled manpower available  
to the countries of the sub-region,

Realizing the increasing amounts of skilled manpower which will  
be required to implement the development programmes of the Community,

Fully aware of the existing lack of training facilities,

1. Invites the interim Council of Ministers to arrange with the governments for the setting up of machinery to provide continuing study of technical and professional manpower problems and requirements within the sub-region;

2. Requests the Economic Commission for Africa and the United Nations Special Fund to consider assistance for setting up institutions to meet the technical and professional manpower requirements in the sub-region;

3. Requests the interim Council of Ministers to consider the possibility of sub-regional co-operation in the training of technical and high level manpower.

#### MARITIME TRANSPORT

Resolution adopted by the Conference at its plenary meeting on  
29 October 1965

The Conference on Economic Co-operation in Eastern Africa,

Recognizing the importance of the effect of freight rates on the economic activities in the countries of the sub-region,

Fully aware of the work already being undertaken by the Economic Commission for Africa in this field,

1. Requests the interim Council of Ministers to recommend to Member governments the establishment of a unified maritime transport system.



## PAYMENTS RESOLUTION

Resolution adopted by the Conference at its plenary meeting on  
29 October 1965

The Conference on Economic Co-operation in Eastern Africa,

Recognizing payments problems and difficulties encountered in the sub-region which are likely to increase with the expansion of trade within the Community,

Bearing in mind the initiative taken by the Economic Commission for Africa and preliminary studies which have been prepared in this regard,

1. Requests the Economic Commission for Africa and the interim Council of Ministers to undertake a study on the possibility of establishing a payments system to serve the East African Economic Community.

## NATURAL RESOURCES

Resolution adopted by the Conference at its plenary meeting on  
29 October 1965

The Conference on Economic Co-operation in Eastern Africa,

Recognizing the need for the full exploitation of natural resources in the sub-region, and

Aware that existing inventories are inadequate for purposes of planned development,

1. Requests Member governments to report on the machinery for the drawing up and maintenance of an inventory of natural resources.

PERMANENT SECRETARIAT

Resolution adopted by the Conference at its plenary meeting on  
29 October 1965

The Conference on Economic Co-operation in Eastern Africa,

Having decided to recommend to the governments of the sub-region the establishment of a permanent secretariat to service the Economic Community of Eastern Africa,

Considering the need to proceed to set up this secretariat at the earliest possible date,

1. Calls on the Economic Commission for Africa to assist the governments of Eastern Africa in setting up the permanent secretariat;

2. Requests the Economic Commission for Africa in this regard to provide regular personnel, administrative facilities and technical and consultancy services as needed for the efficient functioning of the secretariat;

3. In particular, asks the Economic Commission for Africa to undertake preparatory work for the convening of the interim Council of Ministers;

4. Requests the Economic Commission for Africa to prepare estimates of the personnel and other requirements of the permanent secretariat for the consideration of the interim Council of Ministers, including suggestions for such technical assistance as the interim Council of Ministers may seek from the United Nations Technical Assistance Board and other international or bilateral agencies.

DRAFT RESOLUTION

CO-ORDINATION OF NATIONAL DEVELOPMENT PLANS

The Conference on Economic Co-operation in Eastern Africa,

Considering its unanimous decision to recommend to the governments of the sub-region the establishment of the Economic Community of Eastern Africa,

Recognizing the role of individual governments and their national planning agencies in the achievement of the aims of the community,

1. Calls on governments which are drawing up or revising national development plans to take into full account the proposals which have been considered at this Conference for sub-regional economic co-operation;

2. Appeals to the governments of the sub-region to keep each other continuously informed of their plans, programmes and proposals through the ECA secretariat and, when this is established, the Permanent Secretariat of the Community;

3. Invites all governments to try to accommodate these proposals in the implementation of their development programmes.

RESOLUTION

TECHNICAL ASSISTANCE

The Conference on Economic Co-operation in Eastern Africa,

Recognizing the need for further studies before the projects considered by the Conference can be implemented,

Taking into account the request already addressed to the ECA to undertake these studies in connexion with particular projects mentioned in its resolutions;

Requests the Executive Secretary of the ECA to arrange for the necessary technical and financial assistance to carry out feasibility and technical studies leading to the implementation of the full range of development projects considered by the Conference;

Calls on the United Nations and its Specialized Agencies as well as friendly donor countries to make available the additional technical and financial resources required for this purpose;

Requests the governments of the East African sub-regions to lend their support to the Executive Secretary of the ECA wherever necessary in the mobilization of this technical and financial assistance.

#### RESOLUTION

#### INDUSTRIAL CO-ORDINATION

The Conference on Economic Co-operation in Eastern Africa,

Recognizing that the co-ordination of industrial development is one of the main objectives in establishing the Economic Community of Eastern Africa,

Welcomes the initiative of the Economic Commission for Africa in preparing the proposals for industrial co-ordination which have been presented at this Conference,

Recommends that these proposals be submitted to the proposed interim Council of Ministers for detailed study.

DRAFT RESOLUTION

RADIO INDUSTRY

The Conference on Economic Co-operation in Eastern Africa,

Realizing the need to co-ordinate the development of the radio industry in the sub-region,

Requests the Executive Secretary of the Economic Commission for Africa to arrange for a study to be made of this industry and its future development in the sub-region.

DRAFT RESOLUTION

INDUSTRIAL RESEARCH

The Conference on Economic Co-operation in Eastern Africa,

Recognizing the vital role of industrial research to the industrial co-ordination and development of the sub-region,

1. Approves the recommendations made for the establishment of an autonomous Eastern African Council of Industrial Research vested with powers and duties to direct, take over existing institutes and establish new institutes proposed in the study.
2. Notes with satisfaction and gratitude the financial assistance already given by the Government of the United Kingdom under the existing arrangements and the sympathetic consideration it has offered to give to requests for further assistance in industrial research in the sub-region, under the proposed new arrangements.
3. Recommends that the Economic Commission for Africa secretariat, in consultation with the governments of the countries in which the institutes are already and will be sited, take early steps to establish the Council and the institutes with the assistance of the United Nations Special Fund, aid giving agencies and friendly donor countries.

TRANSPORT

Resolution adopted by the Conference at its plenary meeting on  
29 October 1965

The Conference on Economic Co-operation in Eastern Africa,

Recognizing the need to develop transport facilities which will give access to sub-regional markets and render manufactures and other articles of the sub-region relatively competitive with products of other parts of the world,

Fully aware of national transport programmes, as well as the transport surveys being undertaken under the auspices of the Economic Commission for Africa with the aid of bilateral donors,

1. Requests the interim Council of Ministers to initiate at the earliest possible date the study of an integrated transport network to serve the needs of sub-regional trade and promote economic co-operation among Members of the Community, including especially the harmonization of existing national plans for the development of transport;
2. In this connexion, asks the governments of the sub-region to facilitate and expedite in every way the preliminary studies now being conducted by the Member governments, by the Economic Commission for Africa and by other agencies;
3. Requests the interim Council of Ministers to lend their collective support to interstate rail/road links, such as the proposed Tanzania-Zambia and the Kenya-Ethiopian projects;
4. Further appeals to the United Nations Special Fund and the governments of the capital-exporting countries to assist in every possible way the early realization of an integrated transport network to serve the Economic Community of Eastern Africa.

TRADE

Resolution adopted by the Conference at its plenary meeting on  
29 October 1965

The Conference on Economic Co-operation in Eastern Africa,

Realizing that one of the primary purposes of the Economic Community of Eastern Africa is to foster interstate trade,

Fully conscious of the activities now being sponsored by the United Nations under the UNCTAD programme, to promote trade and development in developing countries,

1. Affirms the need for the complete liberalization of trade within the sub-regions as an essential element of the Economic Community of Eastern Africa;

2. Recommends that the Community aim at the progressive elimination of all internal trade barriers within a period of ten years; provided that immediate steps be taken to guarantee sub-regional and multi-national markets for the products of sub-regional and multi-national industry recognized as such by the Community, as well as of agriculture;

3. Requests the Interim Council of Ministers to initiate negotiations for the establishment of a full customs union between Members of the Community in a target period of ten years, including the degree of protection needed to assure the viability of sub-regional and multi-national industries;

4. Requests the Economic Commission for Africa to extend to the Interim Economic Committee and the Interim Council of Ministers all the necessary assistance for the study and negotiation of these matters, including studies on the fiscal and economic effects on Member countries of the proposed trade liberalization.

1. Requests the interim Council of Ministers to formulate a policy for the promotion of domestic savings;
2. Requests the Economic Commission for Africa secretariat to study the possibilities of promoting an increase in local savings.

DRAFT RESOLUTION

CONGRATULATIONS TO THE OFFICERS OF THE  
SUB-REGIONAL MEETING ON ECONOMIC CO-  
OPERATION IN EAST AFRICA

The East African sub-region of the Economic Commission for Africa,

Conscious of the heavy responsibility assumed by the Chairman of the Conference and the Chairmen of Committees in the conduct of the session,

Noting with satisfaction the results achieved, thanks to the devotion, diligence and dignity with which all the officers of the Conference have carried out their duties,

Conveys its warm congratulations to the Chairman of the Conference and the Chairmen of Committees on the success of their work.

DRAFT RESOLUTION

CONGRATULATIONS TO THE ECONOMIC COMMISSION  
FOR AFRICA SECRETARIAT AND THE EAST AFRICAN  
SUB-REGIONAL OFFICE

The East African Sub-region of the Economic Commission for Africa,

Considering the efforts made by the secretariat of the Economic Commission for Africa and the East African Sub-regional Office and the positive and practical results obtained by the First Session of the Sub-regional Conference towards the economic integration of Africa,



Considering the mass of relevant documentation and the practical concision of the reports made available to the participants in the First Session,

Conscious of the volume of work and the complexity of the tasks set to the secretariat during this period of systematic research and sifting of the information on the economic development of the sub-region,

Conveys its sincere congratulations to the Executive Secretary, the Directors of the Sub-regional Office, the consultants and to all staff members, including the interpreters, translators, secretaries and typists, and all those who participated in the work of the Session for their untiring devotion and their excellent contribution to the success of the Session.

VOTE OF THANKS TO HIS EXCELLENCY DR. KENNETH KAUNDA,  
PRESIDENT OF THE REPUBLIC OF ZAMBIA

DRAFT RESOLUTION

The Conference on Economic Co-operation in Eastern Africa,

Desirous of expressing its gratitude to His Excellency Dr. Kenneth Kaunda, the people and Government of Zambia for their warm hospitality and all the facilities generously placed at the disposal of the delegates and observers at the Conference on Economic Co-operation in Eastern Africa,

1. Expresses its deep appreciation of the opening address of His Excellency Dr. Kenneth Kaunda, the high level of which did much to inspire the work of the Conference;

2. Conveys its heartfelt thanks and sincere gratitude to His Excellency Dr. Kenneth Kaunda, the people and Government of Zambia for their kind hospitality and great enthusiasm which marked this Conference.