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ECONOMIC COMMISSION FOR AFRICA

Third Meeting of the Intergovernmental
Negotiating Team on the Treaty for the
Establishment of a Preferential Trade
Area in Eastern and Southern Africa

Addis Ababa, 27 February - 5 March 1979

MEMORANDUM ON THE DRAFT PROTOCOL ON STANDARDIZATION
AND QUALITY CONTROL IN THE PREFERENTIAL TRADE AREA
FOR THE EASTERN AND SOUTHERN AFRICAN STATES

M79-477

I. Introduction

At the second meeting of the Intergovernmental Negotiating Team of the Preferential Trade Area in Eastern and Southern Africa, held at Mbabane in the Kingdom of Swaziland from 30 November to 6 December 1978, it was recommended that the treaty establishing the Preferential Trade Area should be supplemented by various protocols, including one on standardization and quality control.

It was also agreed that at its next meeting, to be held at Addis Ababa from 27 February to 5 March, the Intergovernmental Negotiating Team would consider, under its agenda, a draft protocol on standardization and quality control.

The purpose of this document is to introduce this draft protocol. In it attention is drawn to the advantages of standardization for economic development in general and trade in particular. The difficulties arising from the standardization of merchandise traded within a subregion are outlined concisely, and possible solutions are suggested within the framework of the Draft Protocol.

II. Standardization

Definition and overall objectives

Standardization is defined as being the establishment and application of rules intended to bring order into a specific field of activity in the interest and with the approval of all concerned.

Because of the way in which it is set, a standard constitutes a reference point for problem solving in that it provides definitions and size and quality specifications. It is also one of the foundations needed to establish a programme in which products are guaranteed to meet certain standards and a seal of approval.

Generally speaking standardization mitigates in favour of a real savings in resources (including human effort, machinery and energy), which are usually hard to come by. In the trade sector in particular, standardization is apt to result in a reduction in the price of goods while at the same time keeping their quality high.

III. Difficulties related to standardization and quality control in the Preferential Trade Area

Before independence trade in the States in the subregion concerned was usually established and conducted primarily to serve the interests of the mother countries.

As everybody knows, the trade of these countries, like that of other countries in the region, consisted mainly in the exchange of African agricultural products and raw materials for semi-manufactures or manufactures from the developed countries.

Thus, goods moved vertically so that trade among neighbouring African countries was significantly inhibited.

A direct consequence of this was that in practice all the mother countries imposed their "standards" on trade in both directions, i.e., on both import and export trade.

- Where export trade was concerned, the countries in the subregion were thus compelled to standardize merchandise and packing on the basis of what the consumers in the mother countries liked and were used to or simply of the modes of transport used by firms involved in export trade.

- Where imports were concerned, these countries received sophisticated goods, which were packed and designed to meet standards governed by such criteria as the following:

- (i) The climatic conditions in cold countries;
- (ii) The channels of distribution in the developed countries;
- (iii) The requirements of an industrial society with consumer habits which were markedly different from those in African countries.

Present situation

The data reproduced above goes a long way towards explaining the present situation where standardization and quality control in the countries in the subregion is concerned. This situation may be described as follows:

1. Only a small number of countries (no more than seven) seem to have been able to establish institutions for standardization and quality control whose authority is broad enough to allow them to assume the responsibility for standardization in the overall economy.

2. Standardization of products is basically confined to operations relating to exports to the markets of developed market-economy countries. Moreover, those operations are in some cases carried out by bodies which are not specialized, such as offices of price control and central banks because of the price-quality or quality-price equation which operates in commercial transactions.

3. The purpose of standardization and quality control and their impact on the economy and on trade are not really understood at the domestic market level.

4. Because relatively little trade is carried out among neighbouring countries, attempts to standardize merchandise traded are still very tentative and in some cases no attempts at standardization are made. Thus, there is no body competent to co-ordinate activities in the field of standardization at the subregional level.

- Recently most of the countries have become aware of the low level of subregional trade and of the vital role which standardization might play when applied to various sectors, and in particular to the products sector for purposes of raising the barriers against them and promoting them.

- At the present stage, the absence of standardized measures and of a uniform system of quality classification which could be shared among the countries in the subregion is considered to constitute a real obstacle to the facilitation of trade among the countries concerned.

- In most of the countries concerned, the purchase and sale of goods given over to trade (among neighbouring countries) are based on different units of measure (unit, volume, pile or package).

- In the conduct of border trade, which is especially brisk at certain points, rough estimates of quality, prices and volume or weight are often made.

- Failure to insist on the application of similar standards of plant health in all the countries is a cause of special concern.

- Possible advantages of instituting standardization. The use of a uniform system of classification, standard unit of measurement and a uniform health code within the subregion of the Preferential Trade Area could benefit the countries concerned in a number of ways. Among other things, it could help them to:

1. Co-ordinate and unite their systems of testing, calibration, quality control and approval with a view to ensuring uniformity in the procedures involved in accepting or rejecting products for subregional trade;
2. Make it easier to compare prices on given national markets and the prices of agricultural and industrial commodities;
3. Manufacture products of higher quality;
4. Put products from neighbouring countries on the market more quickly;
5. Attenuate or eliminate the problems involved in converting units of measurement used in other countries and to measure volume and quality under a common system;
6. Protect consumers from inaccurate advertisement of the quality of products;
7. Make promotion and marketing easier for producers involved in the subregional market;
8. Guarantee better conditions of transport and speed up deliveries by instituting a uniform system of labeling;
9. Co-ordinate their position within subregional and international bodies concerned with standardization, quality control, quality labels and measurement.

IV. Implementation of the Protocol and the Standardization of Commodities

Implementation of the Protocol on Standardization and Quality Control would require true co-operation among the States concerned, especially on the part of national bodies responsible for standardization.

It has, in fact, been suggested that steps be taken to set up a technical committee for standardization and quality control at the level of the Preferential Trade Area, whose tasks would include considering the possibility of instituting more dynamic and systematic co-operation, seeing that the provisions adopted were implemented properly and suggesting solutions (to higher bodies) to any disputes which might result from the application of the Protocol.

The implementation of some of the provisions contained in the Draft Protocol might require the use of a relatively large number of technicians and considerable financial resources. Consequently, it will probably be necessary to encourage intergovernmental technical co-operation when standardization is instituted and perhaps to have recourse to international co-operation and specialized international organizations, such as the International Organization for Standardization.