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**ECONOMIC COMMISSION FOR AFRICA
SUBREGIONAL DEVELOPMENT CENTRE FOR SOUTHERN AFRICA
(ECA/SRDC-SA) LUSAKA, ZAMBIA**

BACK TO OFFICE REPORT

Name: **Guillermo Mangué**

Purpose: **To Participate in the Eighth Meeting of Trade and Customs
Committee of COMESA**

Venue: **Lusaka, Zambia**

Dates: **25-27 April 2001**

Program Element: **Information Exchange and Networking**

Lusaka, 4 May 2001

I. INTRODUCTION

The Eighth Meeting of the Trade and Customs Committee of the Common Market for Eastern and Southern Africa (COMESA) was held in Lusaka, Zambia from 25 to 27 April 2001. The meeting was attended by delegates from the following COMESA member States: Burundi, the Democratic Republic of Congo, Egypt, Ethiopia, Kenya, Malawi, Namibia, Sudan, Swaziland, Uganda, Zambia and Zimbabwe.

At the invitation of COMESA Secretariat, I was directed to attend on behalf of UNECA/SRDC-SA. This meeting was preceded by a Workshop on the elimination of Non Tariff Barriers to Intra-COMESA trade, which I also attended.

II. OUTCOME

The meeting adopted the following Agenda:

1. Opening of the Meeting;
2. Election of the Bureau;
3. Adoption of the Agenda and Organization of Work;
4. Progress made on the COMESA FTA membership;
5. Report of the Workshop on the application of safeguard and remedial measures under the COMESA Treaty;
6. Reports of national inter-disciplinary/inter-sectoral task forces to monitor operations of the COMESA FTA;
7. Roadmap towards the establishment of the COMESA Common External Tariff and Customs Union;
8. Report of the Second Meeting of the Working Group on the Rules of Origin;
9. Report of the Workshop on the harmonization of customs legislation and procedures;
10. Progress report on the formulation of a COMESA Regional Competition Policy;
11. Progress report on the Regional Integration Facilitation Forum (RIFF);
12. Report of the Workshop on the elimination of non-tariff barriers to intra-COMESA trade;
13. Preparations for WTO negotiations;
14. Review of developments in intra-COMESA trade;
15. Any Other Business.

Lengthy discussions took place on three agenda items, namely: Agenda item 4: Progress made on the COMESA FTA membership, Agenda item 5: Report of the Workshop on the application of safeguard and remedial measures under the COMESA Treaty and Agenda item 6: Reports of national inter-disciplinary/inter-sectoral task forces to monitor operations of the COMESA FTA.

Under agenda item 4, the Acting Secretary General informed the meeting about the activities undertaken to expand the membership of the COMESA Free Trade Area (FT A). In this regard, he stated that consultative missions were undertaken to Angola, Democratic Republic of Congo and the Seychelles. He informed the meeting that Seychelles had indicated that she would join the FT A in June/July, 2001. He added that there were ongoing consultations with Burundi, Comoros, Eritrea and Uganda. A workshop was organized in Ethiopia after a study was carried out on revenue loss and competitiveness of her industry. Ministerial missions were expected to be carried out in Burundi, Rwanda and Uganda before the Summit in Cairo, Egypt this year. With regard to Namibia and Swaziland, pursuant to the mandate of the Authority, consultations have been held by the Bureau and the Secretariat on the participation of Namibia and Swaziland in the COMESA Trade Regime. The Study commissioned by the Secretariat on Namibia and Swaziland was now completed.

In the ensuing discussion, member States reported as follows:

Burundi would join the FTA by October 2001 and was in the process of preparing the necessary legal instrument for which she was seeking the Secretariat's assistance.

Democratic Republic of Congo would join the FTA by October 2001 and would soon publish a legal instrument effecting an 80 per cent tariff reduction on COMESA originating products.

Ethiopia was committed to joining the FTA and was applying 10 per cent tariff reduction on COMESA originating products as a sign of her commitment. She would take a decision to join the FTA after a review of the study on revenue loss and industrial competitiveness had been completed.

Namibia was awaiting the findings of the study on the implications of her SACU membership in the COMESA arrangement.

Swaziland had decided to join the FTA and would take the necessary steps as soon as the study on the implications of her SACU membership for her participation in COMESA is concluded.

Uganda has decided to join the FTA and would indicate the date for her joining as soon as the study on the implications for revenue, industry and agriculture is completed.

The meeting was informed that Mauritius had unilaterally decided to grant 90 per cent tariff reduction to all non-FTA COMESA member States while Kenya was granting 70 per cent tariff reduction to Democratic Republic of Congo, despite the latter not having published the 70 per cent tariff reduction undertaken at the Seventh Meeting of the Committee.

The meeting emphasized the need for the Secretariat to conduct the study on the revenue implications of the FTA in the rest of the countries that were not covered by the study. The meeting recalled the decision of the Tenth Meeting of Council that all member States should become members of the FTA by 31 October 2001.

Under Agenda item 5, the Secretariat introduced the report of the Workshop of Experts on Safeguard and Remedial Measures, which took place from 22 - 24 March 2001 in Lusaka, Zambia.

In introducing the report the Secretariat recalled the decision of the Tenth Meeting of the Council of Ministers that a workshop be held to propose rules, regulations and protocols on safeguards and remedial measures. It was stated that the Workshop was held from 22-23 March 2001 at which it was decided to set up a Steering Committee comprising Burundi, Egypt, Kenya, Mauritius, Sudan, Uganda and Zambia to draw up the regulations and procedures for the application of the safeguard and remedial measures provided for in the COMESA Treaty.

The meeting was informed that the Steering Committee met in Lusaka, Zambia, from 17 to 19 April 2001 to carry out its work. It was stated that the Steering Committee drafted rules and regulations for safeguards and anti-dumping measures.

In the discussion that followed, the Committee emphasized the need to conform to the WTO rules. However, it was observed that the WTO was a framework agreement, which required to be adapted to each country's local situation. By the same token, COMESA needed to adapt the WTO agreement to suit its peculiar situation.

The Committee felt that the member States needed more time to examine the proposed rules and regulations and agreed to defer their consideration to the Intergovernmental Committee meeting in Cairo, Egypt, in May 2001 after the member States would have undertaken national consultations.

It was interesting to note that agenda item 6: Reports of national interdisciplinary/inter-sectoral task forces to monitor operations of the COMESA FTA, was closely related to our study (e.g. National Mechanisms for Harmonization of Regional Cooperation and Integration in Southern Africa). As indicated by the COMESA Secretariat, this agenda item was for member States to report on progress made to establish interdisciplinary task-forces to monitor operations of the COMESA-FTA, according to the decision of the Tenth Council of Ministers regarding the establishment by member States of COMESA FTA implementation task forces at national level which are multidisciplinary in nature to monitor the workings of the FT A.

In the ensuing discussions, member States reported as follows:

Burundi has set up a sensitization committee with the private sector and was undertaking a study in specific areas of the economy.

Democratic Republic of Congo reported that a Working Group, which includes the private sector has been set up to examine FTA issues and its workings.

Egypt reported that a Ministerial Committee on International Relations regularly reviewed implementation of COMESA's programs.

Ethiopia reported that the COMESA Ministerial Committee has expanded its terms of reference to include monitoring of the FTA.

Kenya has established a COMESA Task Force with a wide representation of ministries/departments and the private sector and has undertaken assessments of the impact of the FTA on specific sectors of agriculture and industry. The Task Force has also prepared responses on the Safeguard and Remedial Measures and was holding consultations on the policy framework for the implementation of the CET in 2004.

Malawi reported that she has established a Ministerial Committee on Regional Integration and informed the meeting that she would report later on the establishment of a task force on the COMESA FT A.

Swaziland announced that she was now working on the composition of her Task Force as she was considering joining the FTA soon.

Sudan has established a task force by ministerial decree composed of representatives of public and private sector. The Task Force reported its activities to the Minister of Foreign Trade and the Inter Trade Committee of the Council of Ministers. The Task Force has secured funding to allow participation of trade missions in six countries to promote exports of Sudan.

Namibia reported that the Committee on Regional Integration had expanded its terms of reference to include monitoring of the FT A and was examining the outcome of the study on Namibia's participation in COMESA.

Uganda reported that a Task Force would be established after joining the FTA.

Zambia reported that the Inter-Ministerial Committee has undertaken awareness campaigns on COMESA and SADC and attended to problems arising from participation in the FTA.

Zimbabwe reported that she has established a committee dealing with COMESA issues.

III. IMPLICATIONS FOR ECA

ECA's attendance to COMESA meetings offers an important opportunity not only to identify areas of possible cooperation but also it ensures appropriate coordination of activities.

Our study on National Mechanisms, for instance, could capitalize on the experience and the already established multidisciplinary task forces at country level to expand into other regional integration schemes for better coordination.

IV. LIST OF DOCUMENTS

The Report of the Meeting and the following documents presented during the Meeting are available for further reference.

1. Report of the First Meeting of the Steering Committee on Safeguards and Remedial Measures;
2. Report of the First Workshop on Non-Tariff Barriers to Intra-COMESA Trade;
3. Roadmap for the Establishment of the COMESA External Tariff and Customs Union;
4. Report on the Working group of Experts on the Rules of Origin;
5. Report of the Workshop on Harmonization of Customs Legislation and Procedures;
6. Progress Report on the Formulation of a Regional Competition Policy in COMESA;
7. Preparation for WTO Negotiations.