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ECONOMIC COMMISSION FOR AFRICA
2ND SYMPOSIUM ON THE PROMOTION
OF INTRA-AFRICAN TRADE

Algiers, 4 - 7 October 1976

REPORT OF THE 2ND SYMPOSIUM ON THE
DEVELOPMENT OF INTRA-AFRICAN TRADE AS A CONDITION
FOR AFRICAN ECONOMIC DEVELOPMENT AND THE ESTABLISHMENT
OF AN AFRICAN COMMON MARKET

Organized by the Government of the Democratic and
Popular Republic of Algeria in collaboration with the
Organization of African Unity and the Economic Commission
for Africa

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PART ONE
ACCOUNT OF PROCEEDINGS

Opening of the Symposium

1. The Symposium was convened jointly by the Government of the People's Democratic Republic of Algeria, the United Nations Economic Commission for Africa and the Organization of African Unity concurrently with the second all-Africa trade faire, in pursuance of the decision taken by the Heads of State and Government of African States members of OAU and their Summit Conference, held in Kampala, Uganda, in June 1975.

2. It was held in Algiers, Palais des Nations, at the invitation of the Algerian Government, from 4 to 7 October 1976. Delegations from the following countries attended: Algeria, Angola, Benin, Burundi, Cameroon, the Cape Verde Islands, Chad, the Comoro Islands, Congo, Egypt, Ethiopia, Ghana, Guinea-Bissau, the Ivory Coast, Kenya, Liberia, Libya, Madagascar, Mali, Mauritius, Mozambique, the Niger, Nigeria, Senegal, Sudan, Swaziland, Tunisia, Uganda, Zaire, Zambia.

The following organizations were also present:

- The African Development Bank (ADB)
- The East African Community (EAC)
- The International Bank for Reconstruction and Development (IBRD)
- The Organization of Petroleum-exporting Countries (OPEC)
- The Organization for Economic Co-operation and Development (OECD)
- The United Nations Industrial Development Organization (UNIDO)
- L'Union Arabe du Fer et de L'Acier (UAFA).

3. The inaugural meeting, was chaired by the Administrative Secretary-General of the Organization of African Unity, His Excellency Mr. W. Eteki M'Boumoua, whose opening statement is attached to this report.

4. The Algerian Minister of Commerce, His Excellency Mr. Layacni Yaker, was unanimously elected Chairman of the Symposium, Captain Noah Mohamed, Minister of Commerce of Uganda and Citizen Duga Kugbe Toro, State Commissioner for Commerce of Zaire, as Vice-Chairmen; His Excellency Mr. E. Sumo Jones, Deputy Minister of Commerce, Industry and Transportation of Liberia as General Rapporteur. Together they constituted the officers of the Symposium.

5. The representative of the Executive Secretariat of the Economic Commission for Africa, Mr. H.L. Bazin, spoke next. He apologized for the absence of Mr. Adebayo Adedeji, the Executive Secretary, from the Symposium due to the circumstances beyond his control.

Adoption of the Agenda

6. A provisional agenda (E/CN.14/ATC/30) was circulated together with a suggested work programme (E/CN.14/ATC/34), which were discussed by the Assembly. At the request of the Representative of Zambia, the two documents were adopted without change.

The adopted agenda was the following:

- (i) Opening of the Symposium
- (ii) Election of officers
- (iii) Adoption of the agenda
- (iv) Review and evaluation of first Intra-African Trade Symposium
- (v) Economic co-operation among African countries including the expansion of intra-African trade with a view to the establishment of an African Common Market
- (vi) African industrial development and expansion of intra-African trade
- (vii) New concepts and techniques of trade negotiations for promoting intra-African trade
- (viii) Country papers
- (ix) Institution and organization papers
- (x) Any other business
- (xi) Adoption of the report and recommendations.

7. Upon assuming office as Vice-Chairmen and General Rapporteur, the Minister of Commerce of Uganda, the State Commissioner for Commerce of Zaire and the Deputy Minister of Commerce, Industry and Transportation of Liberia expressed their appreciation for being elected.

Communications

8. Statements highlighting some of the most salient features of the central theme of the Symposium were made by the State Commissioner for Commerce of Zaire and by the representative of the African Development Bank.

9. Representatives of the ECA secretariat introduced three papers presented to the Symposium by the Economic Commission for Africa:

- (a) Doc. E/CN.14/ATC/31: Review and Evaluation of the Recommendations of the Nairobi Symposium;
- (b) Doc. E/CN.14/ATC/32: Economic Co-operation among African countries and Expansion of Intra-African Trade with a view to the Establishment of an African Common Market;
- (c) Doc. E/CN.14/ATC/33: New Concepts and Techniques for Multilateral Trade Negotiations among African countries.

10. The representative of UNIDO made a statement.

11. After thanking the speakers for their contributions, the Chairman announced that the Symposium would continue its work in two Committees "A" and "B", each to be presided over by a Vice-Chairman.

Work of the committees

12. Each committee established a drafting group in order to prepare a programme of action which is incorporated in part II of this report.

13. Committee "A", chaired by Citizen Duga Kugbe Toro, State Commissioner for Commerce of Zaire, dealt with concrete means and measures for increasing intra-African trade and the establishment of an African Common Market under the following headings:

- (i) Economic co-operation among African countries and expansion of intra-African trade with a view to establishing an African Common Market;
- (ii) New concepts and techniques for multilateral trade negotiations among African countries;
- (iii) Role of transport in intra-African trade.

14. Committee "B", chaired by Captain Noah Mohamed, Minister of Commerce of Uganda, dealt with aspects of economic development and growth in Africa under the following headings:

- (i) Industrial self-sufficiency in Africa and possible extra-African assistance;
- (ii) Conclusions of the 1st Congress of Third World Economists (Algiers February 1976);
- (iii) Afro-Arab Co-operation.

15. Committee "B" also heard:

a) A statement by Mr. A. Benachenhou, Executive Secretary of the Association of Third World Economists, on the conclusions of the 1st Congress of Third World Economists which was held in February 1976 in Algiers, particularly from the point of view of their relevance to the promotion of intra-African trade.

b) A brief introductory statement on Afro-Arab co-operation by the representative of OAU.

16. The Chairman stressed the importance of the work done during the Symposium. He drew attention to the fact that the Symposium had been able to identify practically all the African organizations responsible for the implementation of the Action Programme, that had been adopted, and to establish a time-table for its implementation.

Closing of the Symposium

17. The Symposium expressed the wish that the Action Programme proposed should benefit from the Declaration and the Programme of Action on Afro-Arab co-operation.

18. Statements expressing gratitude to the Government of the People's Democratic Republic of Algeria, and on the success of the Symposium were made by the Heads of delegation of Zambia, Zaire, the Comoro Islands, the Cape Verde Islands, Uganda, Liberia, Ethiopia, the Ivory Coast and by the representative of OAU.

19. As a conclusion to the work of the Symposium, the Chairman recalled the seriousness of the economic and political problems facing the African region and emphasized the importance of the contribution which the implementation of the Action Programme could make in finding a solution to these problems.

PART TWO
ACTION PROGRAMME

The Symposium considers it is of the highest importance that African States should tackle the problem of the economic unity of the African region not in terms of economic profitability in the short run of financial sacrifices but rather in terms of development, independence and collective self-reliance on sub-regional and regional level. In this content, the Symposium made recommendations relating to concrete means and measures for increasing intra-African trade and establishing an African Common Market.

These recommendations cover in particular economic co-operation and multilateral trade negotiations, industrial development and transfer of technology and transport and telecommunications.

A. ECONOMIC CO-OPERATION AMONG AFRICAN COUNTRIES

The Symposium recommends:

1. That OAU and ECA should continue the implementation of their programme of studies with a view to the establishment of an African Common Market.
2. That these studies should provide for the establishment of the African Common Market on a progressive basis and according to a schedule to be defined.
3. That these studies should assign special attention to rules of origin so as to ensure that the Common Market becomes effective through the use of local resources, the exchange and transfer of technology as a means of developing national production capacities, especially in the case of the least developed countries, and the speeding up of the movement towards self-sufficient economic growth and the diversification of African economies.
4. That the programme of studies on the establishment of an African Common Market should be completed in 1980 at the latest.
5. That because of the fundamental importance of the issue of the establishment of a Common Market for the economic development of the countries of the region on a basis of solidarity and in the best possible conditions, progress reports on the implementation of this programme of studies should be submitted directly and periodically to the heads of State and Government of the OAU member States so that they may give the necessary guidelines.
6. That pending the establishment of an African Common Market, all efforts should be made to intensify economic co-operation among African countries; in particular through the elimination of triangular trade.

7. That the benefits secured by States from economic co-operation should not be evaluated simply from the point of view of output or the number of industries established, but rather in terms of the extent to which this co-operation contributes to the promotion of self-reliance or the setting up, in the associated States, on an individual or collective basis, of the constituent elements of a self-reliant "motor" of growth and diversification; that in other words these benefits should be estimated from the point of view of the extent of the additional resources and opportunities which the countries would not have been able to enjoy in the absence of co-operation.
8. That economic co-operation in Africa should be extended to policies and institutions aimed at the development of local expertise, particularly in the training of intermediate and senior personnel and the mobilization of local financial resources; that such co-operation should also cover the choice, adaptation, installation, development and dissemination of technologies and prospection for natural resources with a view to their joint exploitation by the countries for the benefit of national and multinational African industries and with a view to the creation of basic industries, more particularly for the production of capital goods intended for the multinational market.
9. That OAU and ECA should submit a biennial report to their respective ministerial conferences on the progress made in the field of inter-African economic co-operation and that a synoptic report should be submitted on this matter to the next symposium.
10. That steps should be taken with a view to establishing direct banking links among African countries, both at the bilateral and at the multilateral level, in order to stimulate the development of intra-African trade. These steps should include, in particular, the creation of payments unions at the subregional and regional level on the basis of appropriate studies to be submitted by OAU and ECA to groups of experts which should be convened to this effect in 1978 at the latest.
11. That steps should be taken by African States, at the initiative of OAU and ECA and in co-operation with the appropriate institutions, with a view to standardizing the procedures relating to the drafting of letters of credit to be used in intra-African trade.
12. That steps should be taken under the auspices of the Conference of African Ministers of Industry of OAU and ECA with a view to rationalizing existing light industries. These steps would make it possible to reduce the underemployment of productive capacities in the region and to promote inter-State specialization. A report on this subject should be submitted by the two organizations concerned to the next symposium.
13. That a guide to African trade should be prepared before the end of 1978 by OAU and ECA, in co-operation with appropriate organizations, in particular to inform those involved in the African economy, especially importers and exporters, of products available in the region.
14. That a trade promotion campaign with the motto "Buy African and build Africa at the same time" should be launched before 1980 by OAU on the basis of a study that would work out its costs and arrangements, in co-operation with the Association of African Trade Promotion Organizations and the ECA Africa Trade Centre.

15. That all efforts should be made by the ECA Africa Trade Centre towards continuous up-dating and wider dissemination of statistical information and data on intra-African trade.

16. That institutes for permanent training in the field of foreign trade should be set up at the subregional and regional level, their action to be co-ordinated by the ECA Africa Trade Centre so as to avoid the interrupted and ad hoc kinds of training which exist at present and are not regularly followed up; that ECA should undertake a study on the project for the establishment of these Institutes and submit a report on the results of the work to the forthcoming Conference of Ministers of Trade.

17. That action should be taken to harmonize African Investment Codes under the auspices of ECA and OAU, which should submit a report on progress made in this field to the forthcoming symposium.

18. That African countries should give active support to the Association of African Trade Promotion Organizations, so as to make it operational as soon as possible. To do so, it is essential, in particular, that all member countries should honour their financial commitments in a regular manner and take part in the meetings of the Association, starting with the one to be held in Tangier from 27 to 29 October 1976.

B. MULTILATERAL TRADE NEGOTIATIONS BETWEEN AFRICAN COUNTRIES

19. The Symposium recommends:

(i) The convening by the Conference of African Ministers of a meeting of the Intergovernmental Committee of Experts on Trade and Development whose establishment was envisaged at the fourth meeting of the African Ministers of Trade in order to prepare for the launching at the beginning of 1978, by the above-mentioned Conference, of multilateral trade negotiations between African countries on the basis of studies already undertaken in this field by the ECA secretariat. This should be done in the form of a ministerial declaration giving the background, the objectives and the guiding principles of these negotiations.

(ii) The speeding up of the studies concerned with the establishment of the African Organization for Trade and Development (AOTD), which was the subject of a resolution adopted at the Fourth Conference of African Ministers of Trade. This organization, which could provide technical support for such negotiations, should be established before 1980.

(iii) That OAU and ECA submit a report on the results of these negotiations to the Third Symposium.

C. AFRICAN INDUSTRIAL DEVELOPMENT AND TRANSFER OF TECHNOLOGY

20. Bearing in mind the main objectives of the Lima Declaration and Plan of Action which aim at increasing the share of the African industrial output in the world from the present 0.6 per cent to 2 per cent by the year 2000, and that it is necessary:

- to set in motion ways and means for evaluating existing and potential natural resources in African countries, and their recovery by African States.

- to accelerate and diversify African industrial development, which constitutes a dynamic and effective factor in achieving a fast rate of global development;

- to restructure economic relations with the rest of the international community in the spirit of the New International Economic Order and to intensify as well as diversify subregional and regional trade as an important aspect of this restructuring.

The Symposium recommends:

(a) that each African country should draft its own policy and strategy of development taking into account the conclusions of the studies to be undertaken in pursuance of the global objectives of the Lima Declaration;

(b) that an inventory of existing and potential natural resources in Africa should be drawn up;

(c) that the industrial co-operation specially established between African countries should be intensified at the subregional and regional levels through:

(i) co-operation for the formulation, study and drawing up of inventories and the development of subregional and regional projects;

(ii) industrial promotion;

(iii) co-operation in the management of public enterprises;

(iv) the creation of African multinational industrial enterprises.

(d) that specialization in industry at the subregional and regional levels should be introduced by means of long-term agreements;

(e) that the transfer of technology between African countries, based on experience and knowledge acquired within many sectors, should be intensified by:

(i) the formulation of a code of conduct relating to the transfer of technology;

(ii) the establishment of national, subregional and regional centres for the transfer and development of technology;

(iii) the creation of regional technology centres in specific sectors;

(iv) the creation of Technological Data Banks.

(f) that a system of consultations should be instituted between African countries especially through the convening of working groups of experts in specific production sectors in order to increase their participation in world industrial development;

(g) that the manpower required for the growth and development of all the sectors of the African economy should be assessed and that manpower training should be intensified;

(h) that ways and means should be sought with a view to the adoption of an relating to the control and regulation of the activities of transnational corporations and the elimination of restrictive business practices;

(i) that a common African policy concerning regulations governing private foreign investment should be instituted at the national, subregional and regional level;

(j) that national trade structures should be set up to permit control of the export trade in national, subregional and regional production as well as of internal marketing channels.

21. The Symposium further recommends that:

- the extraordinary session of the Council of Ministers of OAU, to be held in Kinshasa in December 1976, should decide which organization(s) will be entrusted with the implementation of the above recommendations and will determine the time-table for their application.

D. TRANSPORT AND TELECOMMUNICATIONS

22. The Symposium recommends:

(a) The drafting of a declaration on a Transport and Telecommunications Decade in Africa.

(b) The adoption of a strategy and global measures for the improvement and expansion of maritime, air, road and railway transport.

(c) The establishment before the end of 1977 of a joint OAU/ECA committee on transport in order to avoid a fragmentation of planning and development of all means of transport and to strengthen co-ordination among African countries at subregional and regional levels.

(d) The establishment and development of multinational sea and air transport services in Africa, particularly at the subregional level.

(e) Joint action aimed at speeding up the convening of the Conference to examine the ratification and the implementation of the convention on the code of conduct for Liner Conferences.

(f) Concerted action to ensure the financing, through multilateral or regional financing institutions, of multinational projects for road, railway, sea and air connexions among African countries.

(g) A concerted policy and action on the part of African countries vis-à-vis international financing institutions, so as to induce them to pay the necessary attention to, in particular, social development criteria and to economic integration in the financing of their multinational transport development projects.

(h) The improvement and strengthening of existing transport services and of the institutional arrangements related to transport within African countries, in particular through:

(i) the rationalization of units in the fields of road, sea and air transport, and through the pooling of cargoes;

(ii) joint action aimed at the adoption of preferential freight rates for the export and import of products of African origin to and from African countries;

- (iii) joint studies on the simplification of documents to be presented at borders;
- (iv) the preparation and implementation, by 1980 at the latest, of conventions on international transport at the subregional and regional level with a view to facilitating trade between land-locked and coastal countries.

(i) A study on the identification of obstacles and the formulation of appropriate measures to be carried out before the end of 1977 with a view to the integration of African airlines by AFCAC, with the assistance of OAU and ECA.

(j) The establishment of an African multinational airline with the task of operating on inter-African routes in parallel with existing airlines so as to facilitate the progressive absorption of those airlines. To this effect, AFCAC, OAU and ECA, are requested to do their utmost to ensure the completion of the studies regarding the creation of such an airline before the end of 1979.

(k) The development of African transport systems in an integrated way within an inter-modal framework at the national, subregional and regional level.

(l) Co-operation and specialization in the field of construction, maintenance and repair of aircraft, ships and rolling stock at the subregional and regional level as well as in the field of training facilities. To this end, the OAU and ECA Secretariats are requested to present a report on progress in intra-African co-operation in this field before the end of 1978.

(m) A study by OAU and ECA on ways and means for the creation of an African Association of Transport Agents before the end of 1977 as a step towards the establishment in 1978 at the latest of an African Multinational Transit Company.

(n) The improvement of transport facilities and infrastructure with a view to promoting trade between African island countries and the rest of the region.

(o) The creation of national and subregional boards, and if appropriate a regional council of African users of all means of transport before the end of 1980.

(p) The pooling of financial and technical resources for the purchase, building and maintenance of ships, aircraft and rolling stock.

(q) Continued formulation and implementation of trans-African highway projects. To this end, the establishment is recommended of working groups and co-ordinating committees composed of transport planning and economic co-operation experts, working on road links between African countries with a view to better regional co-ordination in the field of transport.

(r) The creation of multinational companies for joint utilization of the various navigable internal waterways in Africa.

To this end, studies carried out in the field of transport pursuant to the Action Programme drawn up by the non-aligned countries and the other developing countries in Georgetown (Guyana) should be supplemented.

(s) The exchange of information and experience in the field of transport among African countries.

(t) The total integration of the telecommunications network in Africa and the adoption of a rational telecommunications system, at the subregional and regional levels. The Symposium accordingly recommended the strengthening of the work programme of the PANAFTEL project, and the speeding up of its implementation.

23. The Symposium intends that whenever a specialized body has not been specifically entrusted with following up the implementation of the above recommendations, the appropriate organs of OAU and ECA should be entrusted with that task.