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REPORT OF THE INAUGURAL MEETING OF THE
INTERGOVERNMENTAL NEGOTIATING TEAM ON THE TREATY
FOR THE ESTABLISHMENT OF A PREFERENTIAL TRADE
AREA IN EASTERN AND SOUTHERN AFRICA

Addis Ababa, 27-30 June 1978

A. INTRODUCTION

1. The inaugural meeting of the Intergovernmental Negotiating Team on the Treaty for the Establishment of a Preferential Trade Area in Eastern and Southern Africa was held in Addis Ababa from 27 to 30 June 1978.
2. The meeting was convened on the recommendation of the first Extraordinary Conference of Ministers of Trade, Finance and Planning of Eastern and Southern African States, held in Lusaka on 30 March 1978. The main purpose of the meeting was to consider a set of draft principles for the establishment of a preferential trade area for Eastern and Southern African States as a first step towards the creation of a subregional common market.

B. ATTENDANCE AND ORGANIZATION OF WORK

Opening of the meeting

3. The meeting was formally opened on 27 June 1978 by the Ethiopian Acting Minister of Commerce and Tourism. The Executive Secretary of ECA also delivered an opening address.
4. The meeting was attended by officials from Botswana, Djibouti, Ethiopia, Kenya, Lesotho, Madagascar, Mauritius, Malawi, Mozambique, Swaziland, the United Republic of Tanzania, Uganda and Zambia.
5. Also present at the opening session were a representative of UNDP and observers from several African embassies in Addis Ababa.

Election of officers

6. The meeting unanimously elected the following officers:

Chairman:	Mr. Yoseph Woldemichael, Ethiopia
Vice Chairman:	Mr. Raymond Rakotonirina, Madagascar
Rapporteur:	Mr. Chris M. Mkhonza, Swaziland.

C. ADOPTION OF THE AGENDA

7. The meeting adopted the following agenda:
 1. Organization of work
 2. Discussion of draft principles for the establishment of the preferential trade area for Eastern and Southern African States as a first step towards the

creation of a subregional common market.

3. Discussion of proposed protocols
4. Date, venue and agenda of the next meeting
5. Other matters

D. ACCOUNT OF PROCEEDINGS

Opening statements

8. In his introductory address, the Executive Secretary of ECA outlined the events which had led to the convening of the meeting. In its task of establishing the principles which would be the basis for negotiations for the creation of a preferential trade area, the team should remember that the trade area was not an end in itself, and that it was to be transformed gradually into a common market and eventually a subregional economic community.

9. He noted that the objective was to create co-operation arrangements or conditions conducive to economic development through the establishment of viable multinational productive units in industry and agriculture and the related infrastructure, so as to facilitate the gradual disengagement of the countries of the subregion from economic dependence on developed countries.

10. In his opening address the Ethiopian Acting Minister for Commerce and Tourism said that a new impetus was needed for the promoting of economic co-operation among developing countries to achieve collective self-reliance.

11. He noted that the countries of the subregion had come to recognize that a serious attempt at economic co-operation was a prerequisite for a dynamic process of economic development and achievement of better standards of living for their peoples.

12. The importance of a preferential trade area lay in the fact that it would not only contribute positively towards the eventual economic integration of the countries of the subregion, but would also shape the economic destiny of Eastern and Southern Africa and indeed of the entire continent.

13. However, he warned that the countries of the subregion had to face with determination and political will the problems of narrow nationalism and parochialism as well as the machinations of those developed countries which we are bent on preserving the status quo.

14. The Acting Minister then declared the meeting formally open.

15. The Ambassador of Kenya to Ethiopia proposed a vote of thanks to the Acting Minister of Commerce and Tourism on behalf of the participants. He thanked the Acting Minister for his inspiring speech, and the Government and the people of Ethiopia for their warm hospitality. He expressed the hope that the series of negotiations which would follow the meeting would open a new chapter in the economic unity and independence of the countries of Eastern and Southern Africa.

Discussion of draft principles for the establishment of a preferential trade area for Eastern and Southern African States as a first step towards the creation of a sub-regional common market; discussion of proposed protocols (agenda items 2 and 3)

16. After considering working document ECA/MULPOC/Lusaka/116 on the above mentioned agenda items the team agreed that the negotiations on the treaty for the establishment of a preferential trade area for Eastern and Southern African States should be based on the following principles:

(a) The members of the preferential trade area will be the States of Eastern and Southern Africa^{1/} which ratify the Treaty and such of them as may accede to it thereafter;

(b) Member States will negotiate from time to time the reduction and elimination among themselves of customs duties and other charges of equivalent effect in respect of imports and exports of selected goods produced within the area. The result of such negotiations shall be the subject of specific protocols;

(c) Member States should consider arrangements for the relaxation and/or abolition of quantitative and administrative restrictions on trade among themselves;

(d) Member States should agree to the application of the most-favoured nation clause among themselves;

^{1/} The Eastern and Southern African subregion embraces the following countries: Angola, Botswana, the Comoros, Djibouti, Ethiopia, Kenya, Lesotho, Madagascar, Malawi, Mauritius, Mozambique, Seychelles, Somalia, Swaziland, Uganda, the United Republic of Tanzania and Zambia.

- (e) Member States should consider appropriate payments arrangements among themselves with a view to facilitating trade in goods and services;
- (f) Member States should promote direct contracts and regular exchanges of information among State trading institutions, export promotion and marketing bodies, chambers of commerce, associations of businessmen, trade information and publicity centres, and so on;
- (g) Member States should take steps to foster co-operation among themselves in transport, communications and other aspects of infrastructure with a view to facilitating trade in goods and services;
- (h) Member States should consider the possibility of gradually evolving a common commercial policy among themselves within the context of the preferential trade area agreement;
- (i) Member States should consider the establishment of appropriate machinery for the exchange of agricultural products, minerals, metals, manufactures and semi-manufactures within the preferential trade area with a view to promoting direct trade among themselves;
- (j) Member States should consider the possibility of exchanging information on their industrial and agricultural development policies with a view to co-ordinating their policies in those sectors;
- (k) Member States should negotiate common rules of origin with respect to products that will be traded within the preferential trade area;
- (l) Member States should negotiate conditions for the re-export of goods within the preferential trade area;
- (m) Member States should negotiate conditions for facilitating transit trade within the preferential trade area;
- (n) Member States should agree on the establishment of an appropriate institutional framework for the preferential trade area;
- (o) Member States should consider the simplification and harmonization of trade documents and procedures;
- (p) Member States should endeavour to co-operate in customs matters;
- (q) Member States should endeavour to standardize the production and packaging of goods produced and traded within the preferential trade area;

(r) Member States should agree to incorporate other principles which may be required to further the objectives of the preferential trade area;

(s) The Treaty for the establishment of the preferential trade area will be supplemented by a number of protocols, including:

- (i) Protocol relating to the definition of rules of origin;
- (ii) Protocol relating to the re-export within the preferential trade area of goods imported from third countries;
- (iii) Protocol relating to clearing and payments arrangements;
- (iv) Protocol relating to simplification and harmonization of trade documents and procedures;
- (v) Protocol on standardization of goods;
- (vi) Protocol relating to transit trade and transit facilities;
- (vii) Protocol relating to transport and communications;
- (viii) Protocol relating to customs co-operation;
- (ix) Protocol relating to the unique situation of Botswana, Lesotho and Swaziland;
- (x) Any other protocols as may be required to further the objectives of the preferential trade area.

17. After considering the issue of membership of the PTA, the Team agreed that the accession of neighbouring African States should be referred to the Lusaka MULPOC Council of Ministers for consideration.

18. The Team further agreed that ECA should prepare the necessary technical studies on the principles and protocols set out above. It was also understood that the member countries would establish National Advisory Negotiating Committees consisting of officials from all relevant ministries and parastatal bodies and, where appropriate, from the private sector. The National Advisory Negotiating Committees would prepare relevant national technical studies and co-operate closely with ECA in the preparation of technical papers for meetings of the Team.

Date, venue and agenda of the next meeting (agenda item 4)

19. With regard to commodities, the Team agreed that each country should submit a list of commodities which it wished to export to and import from member States of the subregion within the framework of the trade area. Such lists should be sent to the ECA secretariat not later than 31 July 1978. It was further agreed that the ECA secretariat would compile and distribute such lists to all the member States before the next meeting.

20. The Team agreed on the following agenda items for its next meeting;

1. Consideration of lists of specific commodities to be submitted by each Member State for trade under the trade area arrangement;
2. Consideration of a draft protocol on rules of origin;
3. Consideration of a draft protocol on transport and telecommunications.

21. It was also agreed that the next meeting would be held at the end of October or early November 1978 in Swaziland.

Closure of the meeting

22. After the customary exchange of courtesies, the Chairman declared the meeting closed.