



# EAST AFRICAN COMMUNITY

TRADE MISSION OF BUSINESS WOMEN FROM  
SOUTHERN AFRICAN DEVELOPMENT COMMUNITY  
(SADC) TO THE EAST AFRICAN COMMUNITY (EAC)

27<sup>th</sup> - 28<sup>th</sup> September 2012  
Arusha, Tanzania

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# Introduction of the EAC

Treaty signed in 1999, took effect in 2000

Initial No. of Partner States – 3

Current No. of Partner States – 5

Current Partner States

Burundi, Kenya, Rwanda, Tanzania, Uganda

Active Applications

South Sudan, Ethiopia, Somalia

# Quick Facts

Population -133.1 Million (2010)

GDP - \$79.2 billion (2010)

GDP Per Capita – USD685 (2010)

Area -1.82 million sq. km

Official Language - English

Lingua Franca - Swahili

# Objectives of the EAC

Widen and Deepen Cooperation in

Political

Economic

Social and Cultural Fields

Research and Technology

Defence

Security, Legal and Judicial Affairs

# Stages of Integration

**Customs  
Union**

**Common  
Market**

**Monetary  
Union**

**Political  
Federation**

# Objectives of the Customs Union

- a) Further liberalise intra-regional trade in goods on the basis of mutually beneficial trade arrangements among the Partner States;
- b) Promote efficiency in production within the Community;
- c) Enhance domestic, cross border and foreign investment in the Community; and
- d) Promote economic development and diversification in industrialisation in the Community.

# Scope of Cooperation in the Common Market

“The provisions of the Protocol apply to any activity undertaken in cooperation by the Partner States to achieve the free movement of goods, persons, labour, services and capital and to ensure the enjoyment of the rights of establishment and residence of their nationals within the Community”

by among other activities

Easing cross-border movement of persons and eventually adopting an Integrated Border Management System

# Customs Instruments and Initiatives for Promoting Trade

## Rules of Origin

A mechanism used to determine the country of origin of products for purposes of international trade.

### Modes of authentication

#### a) Certificate of Origin

A printed form, completed by the exporter or its agent and certified by an issuing body, attesting that the goods in a particular export shipment have been wholly produced, manufactured or processed in a particular country



# Rules of Origin – Cont'd

## b) Simplified Certificate of Origin

Similar to the main certificate of origin. Only applicable to goods of a value not exceeding USD2000

Partner States have developed lists of commonly traded goods. Lists are available at Customs offices

Re-exports not eligible under the Simplified Certificate of Origin regime

Certificate issued at the exit/entry points

# Elimination of Non-Tariff Barriers

EAC has developed a Time-Bound Programme for the elimination non-tariff barriers

## Examples of Non-Tariff Barriers

- Congestion at the Ports of Mombasa and Dar
- Lack of harmonised import/export procedures
  - Requirements for transit bonds
- Varying procedures for Bureau of standards
  - Numerous police road blocks
  - Non recognition of SPS Certificates
    - Levying of extra charges
    - Numerous weighbridges

# EAC JUA KALI/NGUVU KAZI EXHIBITION

- Exhibition organised by the EAC Secretariat, Partner States and the East African Confederation of Informal Sector Organisations (CISO)
  - Hosted annually on rotation by Partner States
- Aimed at promoting the informal sector products, transfer of technologies and promotion of integration
- Experts provide professional advice to exhibitors

# The Tripartite FTA

COMESA, EAC & SADC

(Members 26; Population 853 million)

Negotiations to establish a Tripartite Free Trade Area are underway

## Expected Benefits

- Bigger market with a single economic space
- Address the multiple (spaghetti) membership of Countries to RECs
- Contribute to the broader objectives of the AU on economic integration and infrastructure development

# One-Stop Border Posts - OSBPs

## Definition of the Concept

An integrated border system under the OSBP model aims to bring together all the border agencies for improved efficiencies through streamlined, coordinated and harmonised operations.

Travellers from either side of the border are required to make only one stop at a border to conduct their clearance and transit formalities.

# OSBPs – Cont'd

## Benefits to trade

- To reduce transit times for traders and transporters leading to more effective use of available resources and assets at a lower cost.
- To improve competitiveness for goods in the region due to reduced processing times at the border which are assumed to translate into reduced costs.
- To enhance the reliability of the supply chain through streamlined and harmonised procedures resulting in predictable movements of cargo.



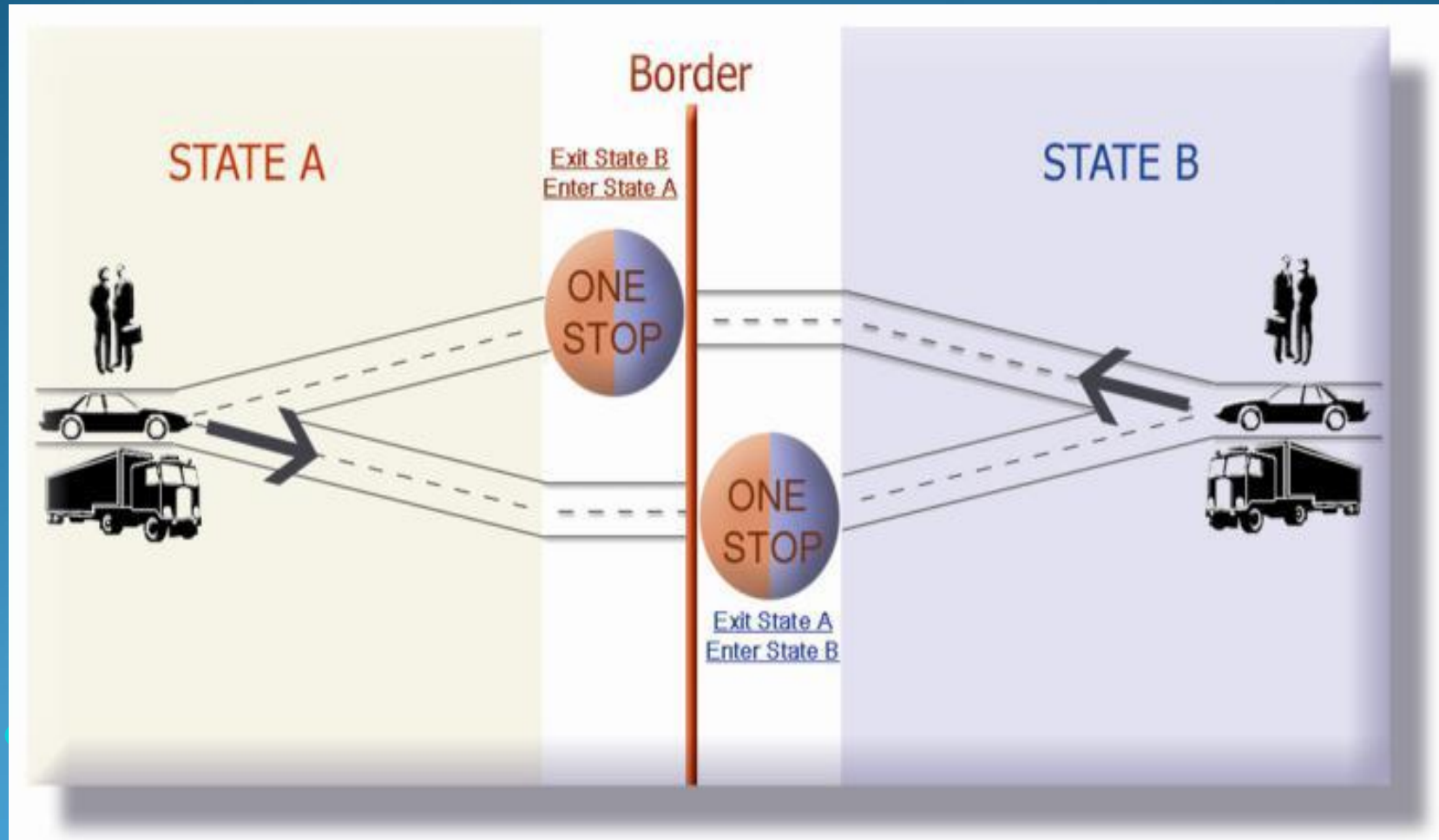
# OSBPs – Cont'd

## Benefits to trade

- To develop better operational controls through shared and improved exchange of information among agencies.
- To improve revenue collections at the border through a faster turn-around time for transporters.

# Types of OSBPs

## Juxtaposed Model



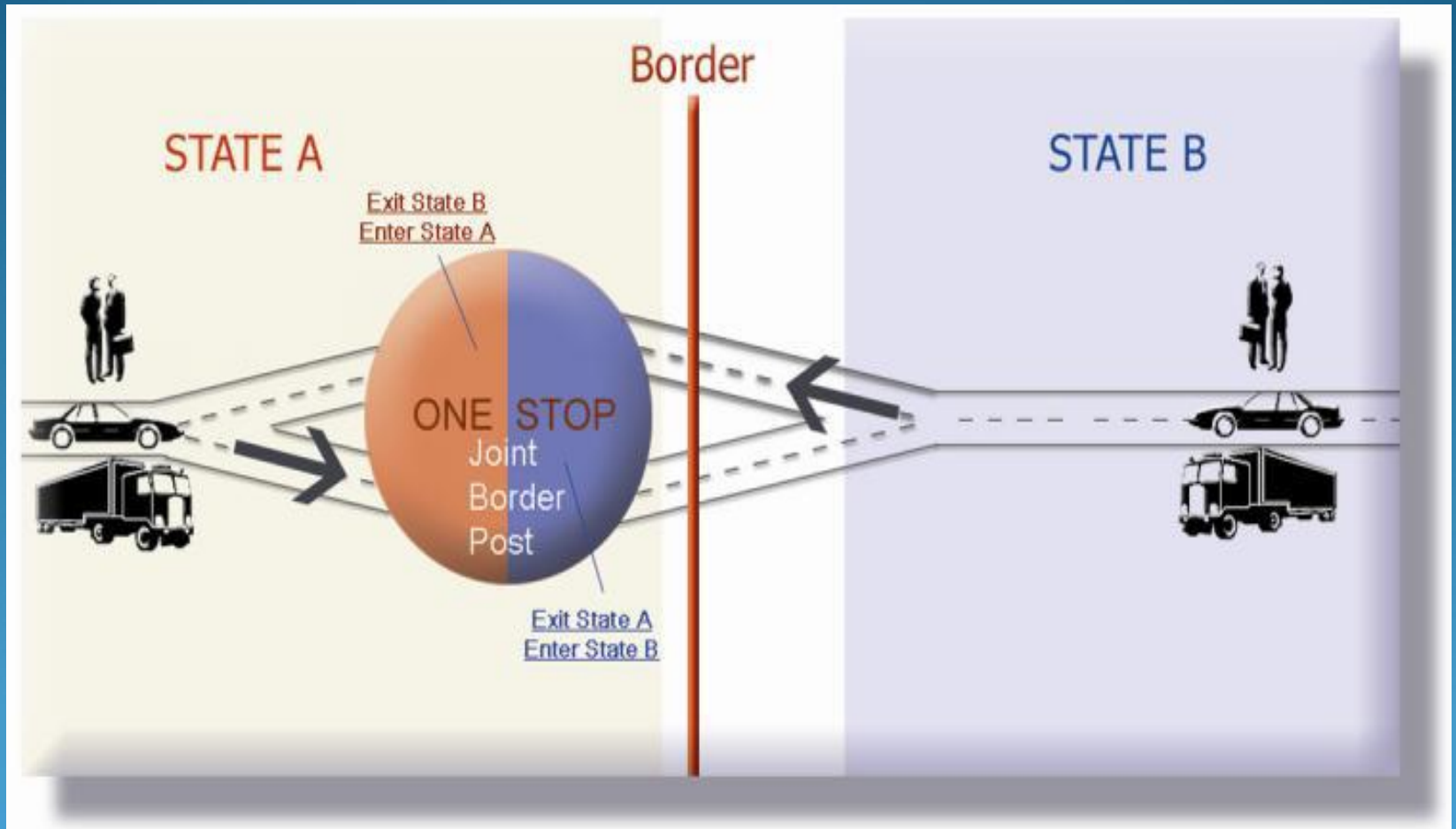


# Features of the Juxtaposed Model

- Border exit and entry formalities are conducted in the country of entry.
- Generally, the preferred model where border facilities already exist or where a natural border line such as a river exists.
- Popular model because each country maintains a border facility.
  - Encourages cross border cooperation.

# Types of OSBPs – Cont'd

## One-Country Common Facility

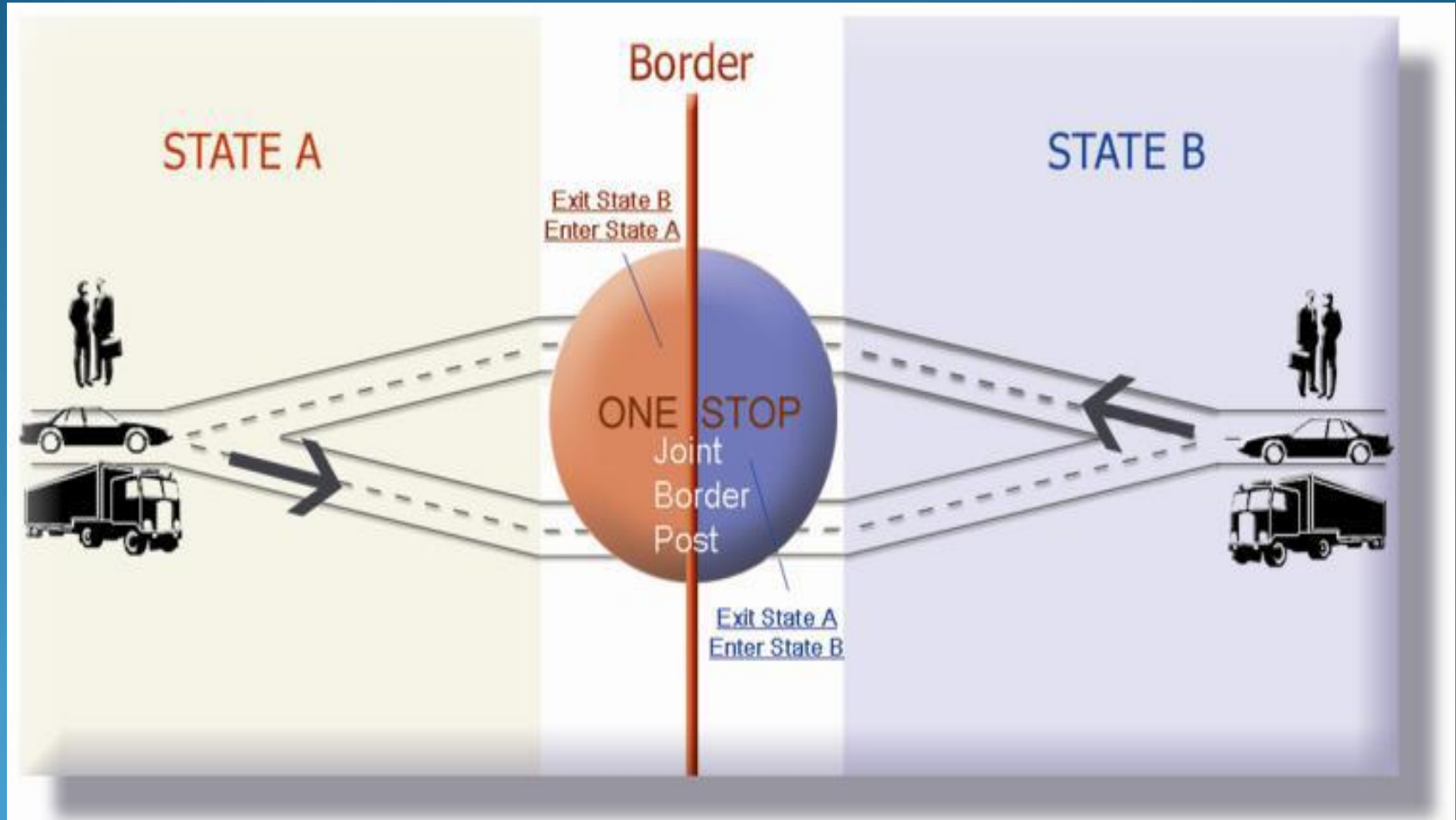


# Features of the Juxtaposed Model

- Wholly located on one side of the border but housing officers from both sides of the border.
- Workable where there is sufficient trust and cooperation between countries.
- In this model, one country needs the authority to carry out controls in the host country and the host country should provide a legal framework that allows foreign officers to work in the host country.

# Types of OSBPs – Cont'd

## Straddle Model



# Features of the Juxtaposed Model

- A single building is constructed across the border line
  - More appropriate where the terrain is flat
  - Appropriate for green field projects
    - Promotes sharing of resources
- Encourages rapport among officers from different agencies

“Africa is a hippo economy; below the ears and snort appearing above the water, there is huge untapped potential”

Source: Unknown



