

SADC: Services Update

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SADC Trade Protocol

- FTA in trade in goods by 2008 when around 85% of intra-SADC trade will be duty free
- Trade in goods liberalization was prioritized by the SADC Trade Negotiation Forum (TNF)
- Article 23 of the STP provides for intra-SADC trade in services liberalization

SADC Work on Trade in Services

- Launched in Cape Town in September 1999, by the SADC Committee of Trade and Industry Ministers
- This committee of Ministers agreed that priority should be given to elaborating a regional strategy on trade in services
- To serve as a basis for the effective participation and integration of SADC Member States at regional and multilateral negotiations (GATS).

Maseru Plan of Action, June 2000

- The TNF agreed on principles and a plan of action to implement the mandate
- *GATS-Plus approach*: sectors subject to commitment in the WTO should be the starting point thereby giving intra-SADC preferences beyond the commitments in the WTO
- *SADC-Plus Approach*: also negotiating on the basis of the existing progress made in liberalizing trade in services under the relevant Sector Coordinating Units
- Consolidation of the two approaches as a strategy for developing proposals in multilateral negotiations

Progress since Maseru

- Six priority services sectors for intra-regional liberalization identified:
 - Communication; Construction; Energy-related; Financial; Tourism; Transport
- Only South Africa and Lesotho made GATS commitments in most of these sectors
- Annex on Trade in Services developed, now approved as Draft Protocol on Trade in Services by the SADC Committee of Ministers of Trade and Industry, in Maseru on 02 July 2007
- Scheduled for presentation to Council and Summit for adoption and signature in 2008
- National and regional assessment studies ongoing to prepare grounds for actual negotiations after signature of the Protocol

Other services-related Protocols

- Focus on regional cooperation rather than policy integration:
 - Transport, Communication and Meteorology (Transport & Communications Commission)
 - Energy (Southern African Power Pool)
 - Tourism (RETOSA)
 - Finance and Investment (2007*)
 - Education and Training
 - Health
 - Culture, Information & Sport
 - Facilitation of the Movement of Persons
- Not all SADC Members have signed or ratified
- Implementation challenges remain

Concluding Observations

- Services not adequately mainstreamed in national trade policy frameworks
- Trade officials/ negotiators lack the necessary capacity to negotiate services and relevant stakeholders are not meaningfully integrated in national trade policy processes
- SADC intra-regional liberalization still at an infant stage requiring domestic policy reforms and capacity interventions, especially to remedy regulatory inadequacies
- MFN based services liberalization critical but not adequately addressed as a strategy to promote regional and global economic integration of the SADC economies (the value of open regionalism).