TRADE MATTERS: Southern and Eastern Africa

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Overview: Big Picture Issues
- WTO Matters and Implications for RTAs
- A New Trade Agenda?

Regional Focus: African Regional Integration Paradigm?
- Key Issues for Southern and Eastern Africa

SACU, SADC.COMESA, EAC…. - overlapping membership and ambitious agendas

Extra-regional agenda (RTA track) – EPAs, other negotiations, AGOA

Conclusions
The Big Picture

- International Market Developments (industrial reconfiguration, trade-I links, S-S dynamics, S-N trade and investment…)

- Multilateral Rules-based System Developments
  - Regionalism within the WTO Context (compatibility issues: art XXIV GATT, art 5 GATS, Enabling Clause)
  - Suspension of the Doha Round negotiations: what does this mean for Regionalism? Further proliferation of RTAs?
  - The NEW Trade Agenda – beyond preferences…..

- The African Integration Agenda
  - African Union integration plan (recognition of some RECs)
  - A new wave of African integration?

- Intra-regional Developments: SADC, SACU, COMESA, EAC…

- External Relations
  - EPA Negotiations
  - AGOA
  - Other developments
Key Regional Integration Issues (1)

- Regional Integration Paradigm – from the linear textbook model (trade-in-goods focused model) – note that SACU nor the EAC have followed this linear progression

- Nature of integration (what will an integrated SADC look like?) – Enhancement of competitiveness…

- From a strategic plan to IMPLEMENTATION (monitoring and ensuring compliance)

- AU Integration Plan (recognising RECs)
Economic Reality Check

- Trade Performance (Intra-vs Extra-regional)
- Patterns of industrialisation (influences, polarisation?)
- Transaction costs of doing business
- Status of regulatory reform (re services sectors)
- Macroeconomic convergence

- Membership Choices – reconfiguring the region
- Challenges of overlapping membership

- Cost/Benefits of moving from an FTA to a Customs Union
SADC’s Integration Agenda: broad scope (beyond trade to peace, security…infrastructure development and more) while SACU’s agenda is trade focused.

Deepening regional integration: from FTA to customs union (What are the imperatives? Costs –benefits?) Yet, this is the African Integration Paradigm.

SACU within SADC
- SACU’s achieved a deeper level of trade integration (CET), now common policy development
- Compare with COMESA (FTA, EAC – inc Tanzania)
- SACU as the core of SADC (delineating agendas), what about COMESA/SADC overlap (and then Swaziland)? Choices by member states between SADC and COMESA?

- SACU is not recognised in the AU Integration Plan (SADC is) – does this matter?

- Implementation of the SADC Trade Protocol (SACU on target…)
Brief Overview of Integration Targets

RISDP
- Free Trade Area (2008)
- Customs Union (2010)
- Common Market (2015), and
- Integration of SADC into the Global Economy (2020)
- Diversification of production structure and exports (2015)

Trade Protocol: Objective to establish a FREE TRADE AREA

Member states’ targets:
- Monetary Union: 2016
- Single currency  with a common central bank by 2018

Political Integration Agenda: SIPO (to create a peaceful and stable political and security environment – enabling instrument)
Key Regional Integration Issues (3)

Key External Issues

- Economic Partnership Agreements (EPAs) – implications for regional integration?
- TDCA Review – South Africa in the region
- Other RTAs
- Global Integration (Suspension of Doha Round?)