

## EAC INTEGRATION

# How EAC is leading the integration agenda

The East African Community states of Kenya, Uganda and Tanzania have been working on the integration project since the early 1900s. The regions first steps were in 1917 when Kenya and Uganda formed the first customs union that was joined ten years later, by Tanganyika.

This process of integration, continued with the formation of EAC high commission and common service commission. It is these processes that culminated into the EAC that was launched in 1967, setting up background for the current integration project that has seen the region grow from three partner states to the current six.

In addition, to expanding itself, the East African Community has been viewed as a leader due to its willingness to integrate with other parts of the continent. This is best exemplified by the EAC's willingness to work with the Common Market for Eastern and Southern Africa (COMESA) and the Southern African Development Community (SADC) on issues to do with climate change and the creation of a free trade area.

Although the 1967 EAC broke up in 1977, the spirit of integration remained, as there was continued cooperation in things like university education. EAC partner states also provided temporary homes for Ugandan asylum seekers and in the case of Tanzania support for the overthrow of Iddi Amin Dada.

It is this spirit that fuelled the reformation of the EAC in 1999, an institution that has grown by leaps and bounds.

In addition to growing from three to the six members that now also include Burundi, Rwanda and South Sudan, this regional body has also signed, ratified and is the process of implementing the customs union, the common market and monetary union protocols. The customs union and common market protocols are in force, while the monetary union is expected to become operational in 2024.

But in addition to these achievements, the EAC is also leading the agenda to integrate with other African states. Led by Uganda, EAC

partner states have for example been instrumental in providing home to refugees fleeing conflict in Somali, South Sudan, Burundi and the Democratic Republic of Congo. Countries in East Africa have also provided peace keeping missions and mediation platforms to stabilise different countries on the continent.

This is in addition to the EAC leading the ambition to create a continent-wide free-trade area.

According to Dr Rob Davies South Africa's Minister of Trade and Industry for the East African Community is among the leading regional blocks that have worked to actualise the tripartite free trade agreement. South Africa expects to sign an agreement with EAC partner states within this month.

The tripartite free trade area agreement brings together three regional bodies the Common Market for Eastern and Southern Africa (COMESA), the Southern African Development Community (SADC) and the EAC.

According to Dr Davies many African states that initially signed onto the tripartite haven't been that eager to conclude the negotiation of tariffs. This has delayed the implementation of the Cairo to Cape Town free trade zone that was promised in the 2015 free trade agreement.

But the EAC member states are among those countries that matching on the negotiation of tariffs for the tripartite agreement that is expected to act as a test run for a continent-wide free-trade zone.

South Africa which delayed to sign so that the country could first conclude on tariffs has been eager to start on the process of implementing the free-trade zone. As a result, South Africa became the 19th country to sign the Tripartite Free Trade Agreement during the 6th meeting of the Tripartite Sectoral Ministerial Committee on Trade,

Customs, Finance, Economic Matters and Home/Internal Affairs (TSMC) held on 7 July 2017 in Kampala, Uganda.

At the 6th meeting of the Tripartite Sectoral Ministerial Committee, the Secretary General of the East African Community, Liberat Mfumukeko reported that 18 Member/Partner States had signed the Agreement and that Egypt was the only country to have ratified it. A total of 14 ratifications are required for the Agreement to enter force.

Liberat Mfumukeko informed the meeting that South Africa and Madagascar were ready to sign the Agreement and encouraged the remaining countries to follow suit. South Africa subsequently signed the Agreement in Kampala.

At that Kampala meeting, the Secretary General reported progress on the legal scrubbing of Annexes, negotiations on tariff offers and the signature and ratification of the Agreement.

Mr Mfumukeko indicated that there had been limited progress on Phase II negotiations and the Agreement on the Movement of Business Persons. However, studies on Phase II issues had been undertaken and disseminated and that TTF was in the process of mobilizing resources to facilitate the necessary consultative meetings.

At the 6th meeting of the Tripartite Sectoral Ministerial Committee, Amelia Kyambadde Uganda's Minister of Trade, Industry and Cooperatives, stated that the intra-Tripartite trade was only 19 per cent of the continent's \$930 billion total trade and this could be attributed to low industrialization, restricted movement of labour, poor infrastructure and high dependency on the export of unprocessed commodities.

The Minister observed that the Tripartite provided the opportunities to unlock the enormous trade and investment potential of the bloc. In this regard, the business community was waiting anxiously towards the opening up of the market of over 600 million people. She further observed that almost all the Annexes had been finalized save for the built in agenda.

At the same meeting, South Africa's Minister of Trade and Industry, Dr Davies observed that the outstanding Annexes had



The EAC Secretary General, Amb. Liberat Mfumukeko with the German Amb to Tanzania Egon Kachanke.

been concluded and highlighted the need to have a functional FTA that would benefit the business community. He noted that the TFTA was a building block for the Continental FTA,

hence the need to make more progress in the TFTA negotiations.

For the EAC benefits of tripartite will include get-

ting a bigger market for her tea products. And all this has been made possible because of the openness that has adopted over the last 100 years.

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