

ADDRESS BY H.E. JAKAYA MRISHO KIKWETE, CHAIRMAN
OF THE EAST AFRICAN COMMUNITY AND THE
PRESIDENT OF THE UNITED REPUBLIC OF TANZANIA, TO
THE MEMBERS OF THE EAST AFRICAN LEGISLATIVE
ASSEMBLY (EALA), BUJUMBURA, BURUNDI,
19TH MARCH, 2015

*Honourable Daniel Fred Kidega, Speaker of the East
African Legislative Assembly;*

President of the Burundi National Assembly;

President of the Burundi senate;

Vice President of the Republic of Burundi;

*Former President of Republic of Burundi, H.E.
Ntibantinganya and Ndayizeye;*

Invited Speakers;

Honourable Chairperson of the Council of Ministers;

Honourable Ministers;

*Honourable Members of the East African Legislative
Assembly,*

Distinguished Guests;

Ladies and Gentlemen;

Let me begin by thanking you Honourable Speaker for the invitation to grace this Fifth Meeting of the Third Session of the Third Assembly. I also thank you for the kind words you have said about me and the EAC. Your speech combined a number of useful ideas. I wish I received it in advance so that I could respond in my speech. I also thank our host, His Excellency President Pierre Nkurunziza for the warmth of reception and gracious hospitality. You have received us so well and kept us very warm. Indeed, we feel very much at home.

I sincerely congratulate you, Honourable Speaker on your election to this esteemed position of leadership both in the East African Legislative Assembly and in the East African Community. We all look into you for leadership and wisdom to steer the affairs of this House to greatest heights possible. I wish you the best of luck and assure you of my personal support as well as that of the Government of the United Republic of Tanzania in

discharging your noble duty. Whatever way you think I or we can be useful please let us know.

Honourable Speaker;

I thank you, for affording me this rare opportunity to address this august Assembly. This is the fourth time in the past 6 years I do so. It has always been a pleasure and an honour for me to share my thoughts with the distinguished Members of the East African Legislative Assembly about the East African community and the East African integration process.

Let me state at the outset that when one looks back through the tunnel of history one clearly appreciates the momentous achievements made by the East African Community to date. A lot of progress has been made both in building the institutions of the Community and in integrating the region. No doubt the East African Community has become a very strong institution both in terms of its organizational and institutional set up and in the functioning of its various organs and institutions.

With regard to the integration process, a lot of ground has been covered and successfully so.

Status of Regional Trade

Honourable Speaker;

As you may recall, in the Charter establishing the East African Community, it was agreed that the entry point in our integration process will be the Customs Union, followed by the Common Market, later the Monetary Union and ultimately the Political Federation. The Customs Union which started in 2000 involved two things. Firstly, the free movement of goods produced in any EAC member state and secondly, a common external tariff. Goods are supposed to move freely across the borders of member countries without tariffs being charged and not encumbered by Non Tariff Barriers.

It is heartwarming, indeed, to note that implementation of the Customs Union which started in 2000 up to 2005 has been a success. Indeed, goods which meet the criteria of rule of origin have been moving across

borders without paying taxes however non tariffs barriers remain a challenge. Progress has been made but the matter has not been resolved fully yet.

These challenges notwithstanding, intra East African Community trade has registered phenomenon increase in this short period of 10 to 15 years. Trade is now at **23 percent**, over and above intra African trade figure of **12 percent**. There has been a **300 percent** increase in the value of trade from, **2 billion US Dollars** in 2005 to **6 billion US Dollars** in 2014. These numbers, coupled with the combined EAC GDP of **110.3 billion US Dollars** with an average annual rate growth, of **2.6 percent** makes our region a formidable trade and economic block in Africa. At the same time government revenues have recorded an increase year after year from **89.55 percent** of the target in 2010 to **96.86 percent** of the target in 2013. During the discussions on the establishment of the Customs Union, the loss of government revenues was among the leading

fears. It has turned out different. One can, indeed brag to say, the EAC is next to none on the African continent.

We envisage more increased revenues when the Single Customs Territory becomes fully operational in the near future. So far, the piloting exercises are progressing well in all member states. Indeed, it has proven helpful in reducing encumbrances to importers and in discouraging dumping and diversion of transit goods. Ultimately, it will be an effective tool of promoting trade and curbing revenue loss to governments.

Non Tariff Barriers

It is incumbent upon us, therefore, to ensure that all remaining non-tariff barriers to trade are removed in the East African region. We all admit that we have done very well in eliminating tariff related barriers, we must resolve to do away with the remaining non-tariff barriers. Commendable work has been and continues to be done to address the transport related ones such as road blocks, weigh bridges and other check points on the roads as well

as customs red-tape at ports and exit points. The progress made so far, at the ports of Mombasa and Dar es Salaam and, on the Northern Corridor with regard to road blocks shows that it is possible to eliminate these non-tariff barriers. Measures are being taken in earnest to reduce road blocks on the Tanzania side of the Central Corridor. I am sure in the next few months we will notice a huge improvement.

Honourable Speaker;

I am happy to inform this august East African Legislative Assembly that Police check points have been reduced from 15 points to 6 point. Our aim to reduce them to none except when need arises. Tanzania Revenue Authority checks from 3 to 0. Weighbridges have remained 8 but our plan is to reduce them to 3. We are introducing weigh-in-motion technology. One is already done at Vigwaza, two are on their way for Manyoni and Nyakahura. I am told with the current improvements alone, for a container to move from the port of Dar es

Salaam to Kigali takes 3 days from the previous 8 days. It takes three and a half days to Bujumbura from the previous 8 days.

I pledged during the 16th Summit that during my time as a Chair of the EAC I will give due attention to elimination of Non Tariff Barriers in the East African Community. I intend to follow up on this pledge. I would appreciate the partnership and support of East African Legislative Assembly in this endeavour. We must make the EAC region the best place to do business.

State of Regional Infrastructure

Honourable Speaker;

We must do everything within our power to reduce infrastructure related costs at the shortest possible time. These are responsible, in a big way, to the high cost of doing business in our region. It is estimated that, cost of transport in our region are 4 to 5 times higher compared to the developed countries. It is estimated that it accounts for about 30 to 40 percent of the price of goods in the

landlocked countries. Investing in better and efficient ports, railways, roads, aviation services, energy and telecommunication are things we must continue to do.

As you may recall, at the 2nd East African Community Heads of State Retreat on Infrastructure Development and Financing held in Nairobi on 29th November, 2012, we undertook to close the infrastructure gap by 2020. I note with a deep sense of satisfaction, the ongoing work, both in the Northern Corridor and the Central Corridor in this regard. The East African Legislative Assembly should regularly request member states to report on progress being made on the implementation of the outcomes of the retreat.

Let us be reminded that the full integration of the East African Community region very much depends on the success of these efforts. We must also know that the world we are in, and that ahead of us, has no place for fragmented markets, isolated industrial value chains and inadequate in country or cross border infrastructure.

Work with the Council of Ministers to devise ways and means to secure investments and funding for East African infrastructure programs and projects.

The State of the Common Market

Honourable Speaker;

As stipulated in the Charter establishing the East African Community, the Common Market is the next stage after the Customs Union. As you may recall, the Common Market Protocol was signed in 2009 and came into force in 2010. This Common Market is what answers the very question about movement of people, capital and services within the region. The feedback from the East African Community Common Market Score Card 2014 presented at the last East African Community Summit in Nairobi shows that progress is not good enough. For example, with regard to the Free Movements of Services, 63 measures out of 500 key sectoral laws and regulations of partner states were identified to be inconsistent with

the Common Market Protocol. **73 percent** of these are exclusively related to professional services.

With regard to movement of goods, a lot has been done apart from non tariff barriers related to sanitary and phytosanitary measures. In terms of movement of capital, only **2** out of **20** capital operations are free of restrictions in all partner states. These two are related to external borrowing and repatriation of proceeds from sale of assets.

Honourable Speaker;

The score-card reminds us that partner states are behind schedule in reviewing and amending national laws in accordance with the Common Market protocol. It impedes progress in the implementation of the Protocol and the East African integration process. We agreed at the recent Nairobi Summit that we should do more in our respective member states on the implementation of the findings and recommendations of the score-card. I appeal to this august House to join hands in raising awareness

and support for the speedy implementation of the findings and recommendations. We should help overcome embedded resistance and nationalistic sentiments.

I appreciate the fact that, there are before this Assembly Bills that will help advance the building of the Common Market. I have in mind the East African Community Cross Border Legal Practice Bill (2014); the East African Community Electronic Transactions Bill 2014; and the East African Community Competition (Amendment) Bill (2015). I hope you will treat them with the urgency they deserve.

Peace, Security and Stability

Honourable Speaker;

Ours is a regional integration undertaking derived from historical lessons of the defunct East African Community (1967 – 1977). Also, from the gains made by the Tripartite Commission on East African Cooperation (1996-1999). We all know what contributed to the demise of the previous EAC. It is not my intension to dwell on

the narration or the reasons and circumstances of its collapse.

When conceiving the new Community we all agreed that we should not repeat the mistakes of history neither be prisoners of it. We also agreed to move cautiously making every step we take the building block of the next. Indeed, we started with the Tripartite Commission on East African Cooperation in 1996 and later in 1999 graduated into the East African Community.

Honourable Speaker;

The principle of growth by stages is well enshrined in the Charter establishing the East African Community. We have remained faithful to this principle. We started as 3 members we are now 5, with provision to others to join if they meet the terms and conditions. Among the terms include sharing a common border with a member of the East African Community and subscribing to the ideals of the East African Community. So far, South Sudan and Somalia have applied.

Subscribing to the ideals of the democracy, good governance, human rights and rule of law are critical tenets of the East African Community. We all agree that better governed member states contribute to a prosperous region. It is also true that badly governed member states frustrate the integration process. It impedes trade, cooperation, as well as movement of people, goods, services and capital. Moreover, it deters investment and makes the region unfavourable destination for investment and trade.

Peace, security and stability must and should continue to be high on our agenda. I am happy that as I address this House, our region is peaceful, secure and stable. Democratic values and institutions continue to take root and shape in our countries. This year we will be having elections in Burundi, and a Referendum on proposed Constitution and General Elections in Tanzania.

The people of East Africa should join hands in wishing these two countries success in these important

undertaking. Let the elections be credible, free and fair which abide and respect the constitutions and the relevant laws of these countries. Let them come out of these processes, peaceful and united as a nation and a people.

Burundi

Honourable Speaker;

To my Burundi brothers and sisters, let me say that I am aware of the anxiety over the electoral process ahead of you. There are whispers and fear that this great country may lose the prevailing peace and stability garnered over the last decade and a half. There could be violence, some say. Honestly, that fear all of us and we dread the idea of violence coming back to Burundi. God forbid.

In my view, there are ways of doing things right and avoiding political instability and violence. The leaders and the people of Burundi should do the following:

- 1) Respect the constitution of Burundi and the Arusha Peace Accord to the letter and spirit. In the same vein respect the Electoral Laws of Burundi.
- 2) Desist from resorting to violence to resolving your problems. That may land your country into bigger problems.
- 3) Use dialogue as much as you can. There are so many wise men and women and institutions to enable you do that.
- 4) Involve the laws of Burundi when you feel the constitution or the electoral laws have been violated.

We all have trust in you that you will rise to the current challenges and overcome them. You have been able to manage even more challenging situations than this. I do not see why you should fail this time. Pluck up courage, muster political will, everything will fall into place.

I want to assure you that the EAC stands ready to assist. We will walk with you all step of the way as we did in the past.

Honourable Speaker;

Our region is not without security challenges. The fact that we are surrounded by other countries and regions in conflict, poses a security challenge to our region. Therefore, we cannot avoid keeping our eyes on them and being of assistance when need arise. It is in this regard, our region is involved in the DRC, South Sudan and Somalia. We must continue to assist these two nations. It is in our best interest to do so since all of them are potential future members of the Community.

Honourable Speaker;

Terrorism and transnational crimes are security challenges facing our region which require a regional response for effective control and success. I am glad that efforts are ongoing at regional level to address these challenges. There is closer cooperation between the

defense and security organs of our respective countries. They share intelligence and undertake joint or coordinated actions. This is very much welcome and we should encourage it. It is important that our region remains seized with the peace and security agenda, for it determines the sustainability and future of the EAC.

Role of EALA

Honourable Speaker;

This esteemed House is one of the important pillars of our Community. It is the organ that carries the voice and aspirations of our people. This is where people's interests are raised, aggregated and translated into laws. Since ours is a people's integration, then this House is at the heart of our integration endeavours.

I commend the good work being done by this House. This is amply evident. The Bills passed by this House give life and meaning to our integration aspirations. It could not be possible for the EAC to achieve so much within this short period of its existence or without the good work

being done by the EALA. Many of the Bills passed by this House and Resolutions adopted have contributed immensely towards advancing the EAC integration process. I am glad to note that, in this session too, three important Bills will be discussed which if passed will impact positively on the facilitation of the Common Market and the Monetary Union.

Honourable Speaker;

This Assembly must continue to be people's Assembly and their first point of call. You must be seen to be spending more time deliberating on issues of concern to the people of East Africa and not otherwise. You must give prominence to issues which are regional in character rather than trivial national interests. We must see that East Africaness spirit in you. I appreciate the efforts you are doing in reaching out to your respective National Parliaments, governments and various interest groups. I am aware also, that during this meeting you will meet with the EAC Ambassadors in Burundi and hold

consultations with the East African Trade Union Confederation (EATCU) and the East African Employers Association (EAEA). This is the way to go. I urge you to do more of this all over East Africa. This way, you will increase people's awareness and enhance the relevance of this Parliament and the Community to them.

East Africa Court of Justice

Honourable Speaker;

I am glad to report that another historic milestone has been laid with regard to the functions of East African Court of Justice. At the 16th Summit of Heads of State of the East African Community held in Nairobi on 20th February, 2015, we adopted and signed the Protocol to operationalize the Extended Jurisdiction of the East African Court of Justice. The extended jurisdiction covers trade and investment matters, as well as issues associated with the East African Monetary Union. This is yet another important avenue to the East Africans to access justice and

reap more benefits from their Community. It consolidates the integration process.

Way Forward

Honourable Speaker;

Integration is not a one off event. It is multifaceted. It takes time. As such, patience and understanding is absolutely important. Otherwise, we may end up making mistakes which could be avoided. We must remain steadfast and focused on deepening and widening East African integration. Trade indicators and statistics confirm that this is happening steadily. However, we must not be complacent. In my view we need to do more in many ways. Allow me to mention two things of interest. One, we must increase the pace of the implementation of decisions and agreements of the various organs of the Community. Recent report shows that, implementation of these decisions and agreements stands at **75.8 percent** for Kenya, Rwanda at **75.7 percent**, Tanzania at **66 percent**, Burundi at **56.5 percent** and Uganda at **48.1 percent**. At

the last Summit we agreed to urge ourselves to ensure speedy implementation of the decisions we make and agreements we sign. We also applauded the idea to institutionalize mechanisms of tracking the implementation of decisions and agreements reached.

Second, we must promote ownership of the integration process by the people of East Africa. As a matter of fact, the future and sustainability of the Community very much depends upon how far we succeed in making people of East Africa feel that they benefit from the East African Community. The State of East Africa Report – 2013 by Society of International Development (SID) provides us with some important insights. It suggests that the future of the region will depend on how we make growth inclusive and on narrowing the inequality gap within nations and in the region. Certainly, the answer lays in the deepening of integration and increasing investment and trade which have proven to be good catalysts for promoting prosperity

and improving welfare of the people. Integration is the best way forward, for no one country can overcome these challenges alone. I urge this Assembly to make its requisite contributions to advance the cause of integration.

Conclusion

Honourable Speaker;

We are all witnesses to the fact that a lot of progress has been made in our integration process. What we have been able to achieve in this short period of time is truly amazing to us and the world at large. The pace and depth of our integration process has been phenomenon. We have demonstrated to the world that integration process can actually happen in Africa. Therefore, the East African Federation and United States of Africa are not a mirage or distant dreams. They are possible and doable. For us Tanzania, with 50 years experience of the Union between the then Tanganyika and Zanzibar, we know it is possible and doable. We believe in it, we are living it and we look forward to live as East Africans in the East Africa

Federation and, ultimately, as African citizens in the United State of Africa. Let us remain committed and steadfast in pursuit of these noble ideals. Nothing is impossible. It can be done play your part.

With these many words, I thank you once again Honourable Speaker and members of this Assembly for the invitation. It is an honour I will always cherish. I thank you for your kind attention.