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FROM THE CHAIRMAN'S DESK



H.E. Mr. Meles Zenawi, Prime Minister of the Federal Republic of Ethiopia with the Secretary General of the OAU, Dr. Salim A. Salim and the Executive Secretary of the ECA, Dr. K.Y. Amoako at the launching of the International Panel of Eminent Personalities (IPEP) in January 1999.

1999. The last year of this century – indeed of the present millennium! The space available for my editorial would not suffice to draw a balance sheet of our continent's and/or our Organisation's achievements and failures. I therefore do not propose to do so. But this is also a year which has a psychological dimension in that it is the last turning point which will usher the world into the 21st Century and the third millennium. It is a time for thinking ahead and in many cases making a fresh start, renewing commitments and taking new resolutions.

The challenges for this Organisation remain formidable and there is need for each one of us, directly or indirectly involved with it, to redouble our efforts and move steadfastly and determinedly along the path we have traced together with our Member States and development partners to emerge on solid ground of progress – progress in all fields. 1999 is also a year which marks the fifth anniversary of the entry into force of the Abuja Treaty establishing the African Economic Community (AEC). In effect, the 12th of May this year represents a benchmark in the evolution of the Abuja Treaty – it represents the end of the first stage of implementation of the Treaty, a stage which required the Secretariat of the AEC (that is the Secretariat of the OAU) and Member States to strengthen the Regional Economic Communities (RECs) so that they can play an effective role as the building blocks of the AEC, or create such entities in regions where they do not exist. At the Secretariat, however, we take the view that the process of strengthening the RECs is an ongoing one and cannot be subjected to a cut off date. Indeed the implementation of the Treaty should be approached in as flexible a manner as possible. As regards the strengthening of the RECs a

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number of activities have been initiated between the Secretariat here and the Secretariats of the RECs, especially those that have signed the Protocol on Relations with the AEC. However, and regrettably no progress has been registered in our relationship with the Secretariat of the Arab Maghreb Union (UMA). In a few days' time the Joint Secretariat OAU/ECA/ADB will meet in Ouagadougou, at Experts and Chief Executives levels (2-5 February). The RECs have been invited to participate. A review of the state of cooperation among the institutions and harmonisation and rationalisation of policies is on the agenda. I sincerely hope that the occasion is seized by all participating institutions to carry out a candid soul-searching exercise and determine whether their deeds and actions match their avowed intentions and pronouncements, whether indeed harmonisation and rationalisation of policies and programmes prevail and duplication is a thing of the past.

1999 is also a year of important meetings in which the OAU Member States have a stake and therefore need to prepare themselves adequately. Our Member States, signatories of the ACP/EU Lome Convention are faced with the arduous task of ensuring that at the end of the present negotiations, the common position of Africa for a post - Lomé IV arrangement has been heeded and the collective aspirations and expectations of the continent are reflected adequately in the successor Convention. The OAU/AEC Secretariat for its part with the help of its partners in the Joint Secretariat has placed a Panel of High Level Experts at the disposal of the African negotiators, for the benefit of the ACP Group as a whole, to help formulate and argue our position. In the 25 years or so of institutionalised cooperation that exist between the EU and the ACP Group, this is the first time that the African component of the Group benefits from such expertise in the negotiations.

The same Panel of Experts will pursue the issues at stake at the level of the WTO which will meet at Ministerial Level for the third time since its inception, in the United States at the end of November this year. It is expected that at that Meeting, a Millennium Round of negotiations will be announced. I hardly need to emphasise that Africa should get its act together and ensure that it participates fully in the elaboration of the agenda of this important international rendez-vous and beyond that, have its concerns taken on board. In this context, the OAU/AEC Secretariat will call the Second Trade Ministers Meeting sometime in October 1999 to prepare and formulate a common African position.

In the context of the new U.S. Policy towards Africa, the U.S. is organising a U.S-Africa Forum at Ministerial level in early March where avenues of cooperation will be mooted. The Secretariat, it will be recalled, has done quite some spadework in clearing the path for a mutually beneficial and effective cooperation. Our Ministers should not miss the opportunity to drive home to their counterparts of the U.S. the concerns of the African Continent in such areas as market access, terms of trade, and principally the debt overhang which constitutes the biggest stumbling block in Africa's development. The issue of the OAU's observer status at the WTO also needs to be pursued as the U.S.A is among those that continue to oppose such a status for our Organisation!

Yet again this year some very important steps will be taken by the Secretariat in its relentless endeavours to implement the Abuja Treaty. Among the important events planned are the meetings of the Committee on Transport and Communications, and the third AEC/ECOSOC Ministerial Meeting and these before the 3rd Summit of the AEC which is scheduled in Algiers in the context of the 35th As-

sembly of Heads of State and Government of the OAU.

It will be recognised that the Secretariat is leaving no stone unturned in its task to help and support Member States in the multifarious challenges that daunt the Continent. However, despite all our efforts and goodwill not much will be achieved if Member States themselves do not get fully involved in the integration process that is ongoing. *This process, I have often repeated, is not cost-free and cannot be achieved unless Member States commit the necessary resources to it.*

Let me make the wish that Member States take stock of what the Secretariat has achieved in the past few years with its very limited resources and commit themselves to working in tandem with it and provide the necessary resources so that together we can attain the objectives set.

Finally we will not be able to get on at the pace we desire in our development efforts if we continue to be pulled back by perpetual tension and conflicts. We should all realise that every day that we spend in a conflict or war situation is a day lost in building our society, not to mention the loss of life, property and the millions of dollars that go wasted in the process. We therefore, welcome the formal launching of the International Panel of Eminent Personalities that has been set up by the OAU to enquire into the genocide committed in Rwanda in 1994. Let me express the hope that the work of this Panel which is led by former President Masire of Botswana will help us realise how frail we all are and encourage us to settle our differences in a peaceful manner instead of resorting to such atrocities as we have lived these past years! □

Vijay S. Makhan

Understanding the Abuja Treaty

by A.M. A. Dirar*

In our last article, we addressed the Article dealing with Free Movement of Persons, Rights of Residence and Establishment, and the Articles dealing with the economic sectors, such as Agriculture, Industry and Transport and Communications. In this article, we will conclude the economic issues by discussing standardisation and measurement of systems in terms of regional integration. In the subsequent editions, we will be dealing mainly with Articles in the social sector highlighting on issues which reflect the social dimension of the Abuja Treaty.

The first priority for the AEC Secretariat is to assist the RECs build capacities and formulate programmes in this field. In so doing, the RECs will then be the implementing arm of the Community for the so many programmes and declarations adopted by the OAU Organs. I dare say that the tasks of the AEC Secretariat are much more than those in the economic field and the potential for establishing programmes which can touch the African population is without bound. The challenge is, therefore, for the Community Secretariat, in collaboration with the RECs, to actualise this potential.



A.M. A. Dirar, Director EDECO

take a simple example of electric appliances and electric outlet plugs. The traveller in Africa will have to arm himself with a number of different adaptors to be able to plug his radio in the hotels to be visited. With the limited size of the African market, this situation is surely not encouraging for the establishment of a Community-wide or, for that matter, a RECs-wide industry in the field of construction industry and consumer electric appliances fields.

The Article calls, in para 1(a), for a common policy on Standardisation and Quality Assurance of Goods and Services among Member States. In Sub-para (b) of the same Article, Member States agree to undertake other related activities in this field to promote trade economic development and integration. Sub-paragraph (c) calls for the strengthening of national, regional and continental organisations operating in this field. Paragraph 2 of this Article calls for the preparation of a Protocol to guide Member States' co-operation in the fields of standardisation, quality assurance and measurement systems.

As could be seen from the preceding, this Article addresses two extremely important areas, namely Standardisation and Quality Assurances, and Measurement Systems.

While we confess that we do not claim any special expertise in these fields, we however wish to give our views on these issues hoping that specialists and experts will provide further clarifications.

With respect to standardisation, the domain of this subject covers all human activity. There is hardly any field of human activity where standardisation is not relevant. In the field of transport, this covers issues from road signs to railway gauges to axle weights to facilitation documentation, to mention only few obvious ones. The same is true in the telecommunication field. This could also be said to industry, agriculture, etc.

There is, therefore, an urgent need to raise the awareness of Member States on the importance of this matter for regional integration. In the first place, there is the need to strengthen the national institutions in each Member State. Secondly, there is the need to establish Regional fora within each REC where national organisations can meet and agree on common standards to be adopted within the RECs. This has to be combined with a study of the standards laws and regulations in each Member State. The Secretariat of each REC should give this matter its due importance.

African regional standardisation organisations can help through the provision of technical assistance, support and exchange of experience. For them to be able to do this, there is need, in the first place, to strengthen

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Chapter X: Standardisation and Measurement System

Article 67: Common Policies on Standardisation and Measurement Systems:

The importance of standardisation and measurement systems has long been recognised by African countries who established two regional institutions: one for the Francophone countries in Abidjan, and the other for the Anglophone countries in Nairobi. However, standardisation and measurement systems assume a special importance in the context of regional integration. To demonstrate this, let us



the capacities of these organisations and to promote co-operation and co-ordination between them. Currently, the two organisations are starved of resources, particularly contributions from Member States.

In view of the important role these organisations could play, both the AEC and the RECs, should pay particular attention to them and get involved in supporting them and in the design and implementation of their programmes. Currently, the two institutions are largely relying on outside support, mainly from outside Africa.

With respect to quality assurance and measurement systems, Africa is far behind in this field. The world has now moved to total quality control and assurance standards as expressed in the International Standards Organisation (ISO), Standards 9000 Series and the 1200 Series. These two International Standards are quickly becoming the norm for international trade. Currently, only a handful of African countries have received certification for a number of products in these series. Surely, if this situation is not addressed in a concerted manner, any hopes for Africa to expand or maintain its share in international or regional trade in manufactures will be frustrated. In this connection, we are pleased to note that the African Regional Standardisation Organisation

(ARSO) has initiated a working relation with the OAU/AEC Secretariat.

What is needed for the implementation of this Article is urgent work now at the national level, coupled with work at the level of each REC in collaboration with African regional organisations. The role of the AEC Secretariat should be intensified to raise awareness on the importance of these issues and to strengthen its support for the regional organisations by putting its political weight behind them. This could be done through participation in their meetings and promotion of their programmes and closer co-ordination of their activities.

While the regional protocol can wait, there is urgency to adopt and implement protocols or other instruments at the level of each REC. A model protocol can be prepared by the regional organisations to ensure the harmonisation of all RECs activities in this field. Such a protocol will eventually be the basis of the Community Protocol. However, the tasks in this field should not wait for the long process of preparation, adoption and ratification of protocols. □

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Ed. Note: The views expressed in this article are those of the author and may not necessarily be those of the OAU/AEC General Secretariat.

Sixth meeting of the Southern Forum on Population and Development (SAFPAD)

SAFPAD, a forum of technical experts on population and development issues in the SADC region was launched in 1994 and concretised by the first Southern African Forum at Ministerial level held in Pretoria in 1996. The sixth SAFPAD meeting was held in Lusaka, Zambia from 20 to 21st January, 1999. It considered country reports as well as reports from the OAU, ECA sub-regional development centres for Southern Africa and the UNFPA/CST Harare. It also reviewed progress on the implementation of the resolutions of the Southern African Ministerial Conference on Population and Development. It was however found out that owing to a lack of assignment of responsibility for follow-up action on the resolutions, some of them were not implemented. It may be inferred from the outcome of the conference that given the importance attached to the population factor in the Treaty establishing the AEC, other RECs should be encouraged to create population desks and programmes within their activities. □

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STATE OF THE AFRICAN ECONOMIC COMMUNITY¹ (Vision 1999)

by Frederick Y. Alipui*.

Since the signing of the OAU Charter in May 1963, the Founding Fathers of the Organisation of African Unity had laid the foundation stone for the continental union of Africa. This vision was for a united Africa to be realised, initially through the political liberation of the territories under foreign colonial rule and subsequently through the process of integration of the African economic space. Hence the creation of the African Common Market, the creation of an African Monetary Zone, an African Central Bank and the construction of the trans-African Highway and the establishment of Pan African Telecommunications System (PANAFTEL) linking the African countries into a continental integrated economic union were instruments and projects that the Founding Fathers of the OAU had in mind when they made their declarations in Algiers in 1968, in Addis Ababa in August 1970 and May 1973; in Libreville in July 1977 in Monrovia in 1979, respectively and subsequently when they adopted the Lagos Plan of Action and the Final Act of Lagos in 1980 calling for the creation of the African Economic Community.

On 3 June 1991 the dream of the Founding Fathers was put to the "litmus test" when the Heads of State and Government of the OAU signed in Abuja, Nigeria, the Treaty establishing the African Economic Community. The Treaty having been ratified came into force on 12 May 1994. As required by the provisions of the Treaty the Secretary General of the OAU is concurrently the Secretary General of the African Economic Community. Hence the General Secretariat of the OAU has also become

the operational Secretariat of the African Economic Community (AEC).

The General Secretariat has, since the coming into force of the Treaty, made bold plans to implement the first stage of the of the Community as spelt out in its Article 6. This calls for the "strengthening of existing regional economic communities and, within a period not exceeding five (5) years from the date of entry into force of the Treaty, establishing economic communities in regions where they do not exist".

It must, however, be noted that in carrying out this mandate the OAU/AEC Secretariat has been working at various sectoral, institutional, functional and operation levels with the existing Regional Economic Communities (RECs). As a result one could say that through the RECs simultaneous efforts are being made to implement the second stage of the Community which calls for the stabilisation and gradual removal of the Tariffs and Non-Tariff Barriers to intra-Community trade. It also calls for strengthening of sectoral integration at the regional and continental levels in the fields of trade, agriculture, money and finance, transport and communication, industry, energy etc.

The third stage enjoins each REC to establish its Free Trade Area with a view to creating their respective Customs Unions. All these efforts are expected to evolve into and culminate, at the fourth stage, through the process of coordination and harmonisation of tariff and non-tariff systems, among the various RECs, into a continental Customs Union. This is to precede the evolution

of the process into the fifth stage which envisages the establishment of the African Common Market and finally the sixth stage which would consolidate the common market through the free movement of people, goods, capital and services as well as ensuring for the citizens of the participating countries the right of residence and establishment.

The sixth stage also envisages the establishment of a single domestic market and a Pan-African Economic and Monetary Union, the setting up of an African Monetary Union, the establishment of a single African Central Bank and the creation of a single African Currency. A Pan-African Parliament and the election of its members by continental universal suffrage are envisaged while the setting up of the Executive Organs to administer the African Economic Community system is also called for at this stage, all the six stages spanning over a period of forty years.

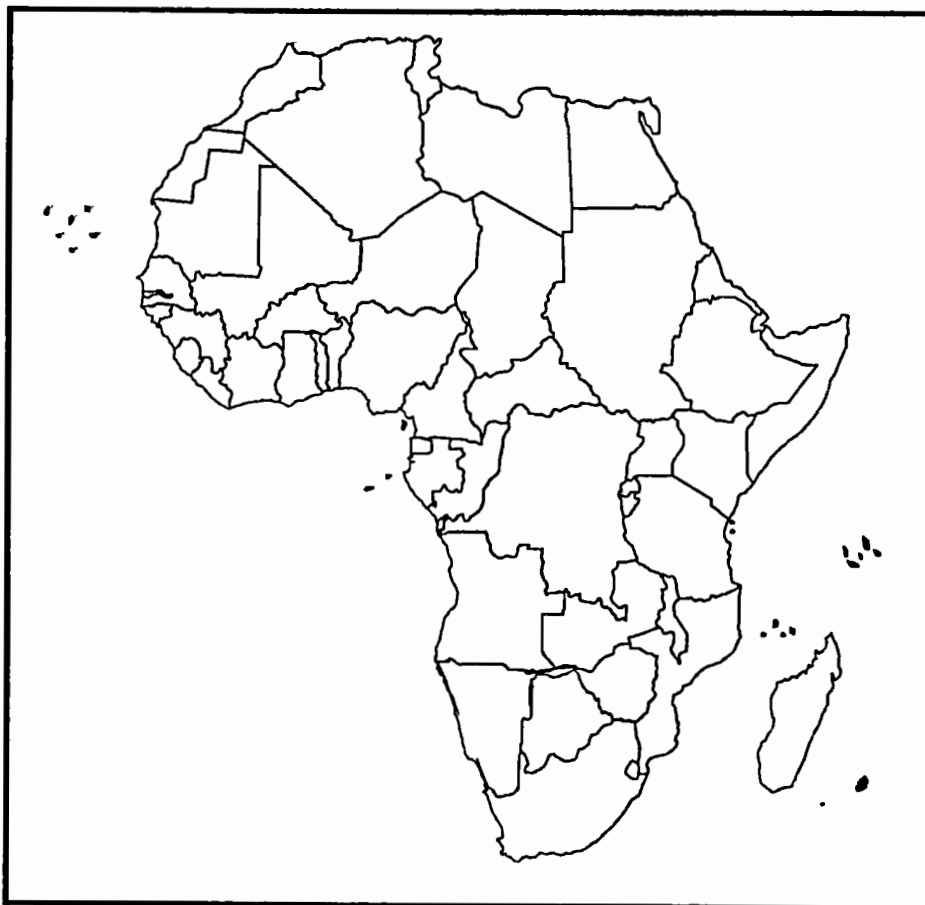
As we have entered the year 1999, at the threshold of the 2nd millenium it is imperative for the General Secretariat to take stock of how far it has carried out its mandate of creating the African Economic Community in order to get better resolved and re-position itself so as to take up the challenge ahead.

The Institutional Framework

The Secretariat of the OAU/AEC has been coordinating at the continental level, the economic integration process, as it evolves, in the various regional communities. In this regard

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1 (At the dawn of the 2nd millenium, it is intended to review the state of the evolving African Economic Community, in order to assess the state of African Unity as an objective of the OAU. Such an exercise would map out the strategy for the 21st Century. Given the vast nature of such a review exercise, it is intended that the article on this topic will be serialised in successive articles).



Integrating Africa into a Common Market

in order to enter into legal, institutional, functional and operational relations with the RECs, the Protocol on the relations between the AEC and the RECs was signed by the Secretary General of the OAU/AEC and the respective Secretaries General of the RECs. These RECs are the Economic Community of West African States (ECOWAS), the Common Market of Eastern and Southern African States (COMESA) and the Southern African Development Community (SADC) and the Inter-Governmental Authority for Development (IGAD).

At the level of the regions we, however, notice that while the OAU/AEC Secretariat is working with some of the RECs, others like the Economic Community of Central African States (ECCAS) has not been functional due to the inability of the member States to honour their political and financial obligations and also because of the political instability in the region. On the other hand for a number reasons the Secretariat of the Arab Maghreb Union (UMA)

has not found its way clear to cooperate with the OAU/AEC Secretariat.

However, it is observed that the multiplicity of initiatives to maintain some existing inter-governmental organizations (IGOs) and/or even create new regional groupings have not made the task of coordination easy for the OAU/AEC Secretariat.

Transport and Communications

Article 61 of the Treaty calls on member States of the AEC, to inter-alia, promote the integration of transport and communications infrastructure through various inter-state activities. The implementation of the Trans-African Highway blue-print, conceived since the 1960's remains the greatest challenge for the vision of creating an integrated economic space for the African continent. In this regard in accordance with the Lagos Plan of Action two United Nations Transport and Communication Decades in Africa (UNCTACDA I and UNCTACDA II)

were adopted and the implementation of major related programmes, including the sub-Saharan, Transport Policy Programme have been milestones in furthering the objectives that Africa has set for itself.

It is therefore to be recalled that during the evaluation of the Sector at the Eleventh Conference of African Ministers of Transport in November 1997 it was observed that 34 projects which had secured funding were yet to be commenced. It must be stated that there are several inter-state road connections which obviously would contribute to integrating the African economic space which to date have not been constructed. In response to these unfulfilled expectations in the road transport sector, the Ministers, inter-alia, agreed to improve the execution of maintenance and investments projects, in order to increase road density and serviceability levels, especially with private-sector participation.

In the air transport sub-sector, the implementation of the Yamoussoukro Declaration still remains the challenge, in particular the improvement of air safety and aviation security and institutional reform to facilitate the development of market-oriented operations and service delivery, and taking into account the interests of users of air services. Another major challenge is the integration of air-spaces and co-operative approaches to air-space management, particularly through regionalization and globalization of upper airspace management.

In this age of globalisation, information technology and information super highway, the AEC would have to seriously implement the African Regional Satellite Communication System (RASCOM) in order to respond to the challenges of the continent in the telecommunications and broadcasting sub-sectors.

The maritime transport sub-sector which costs a lot to African countries has to be addressed in order to ensure that Africa does not lose out in the adherence to international maritime con-

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ventions. The improvement of infrastructure in ports and warehouses to cater for African landlocked countries needs to be addressed. Regarding multimodal transport, there is the exigency to harmonise transit transport agreements with subregional transport legislations and improve communications along the various transit corridors.

In this era of deregulation, it would be important to secure the administrative and financial management independence required by postal authorities and also clearly define the limits and scope of monopoly or reserved services. (In a subsequent article the progress made by the respective RECs in the Transport and Communications Sector will be discussed).

Free Movement of Persons, Right of Residence and Establishment

In accordance with Article 43 of the Abuja Treaty and in conformity of the Decision of the Summit of the African Economic Community we are pleased to report that at the continental level the third session of the Economic and Social Commission of the AEC will examine again the issue. However we note that at the level of the Economic Community of West African States (ECOWAS), community citizens enjoy the right of visa-free entry in one another's country for three months. They have also reached the stage of implementing the element of the Right of Residence in the relevant Protocol. The recent Summit of the COMESA held in Mauritius has taken a major decision to implement the provisions of their treaty the free movement of persons in their region.

Meanwhile at the level of the AEC during the second session of the AEC/ECOSOC held in Cairo, Egypt in April 1998, a decision which was taken and later endorsed that same year by the AEC Summit in Ouagadougou provides that officials of the Secretariats of the African Regional Economic

Communities and the OAU/African Economic Community Secretariat, while carrying an official travel document of his/her institution shall be exempt from visa requirements when travelling through Member States of the African Economic Community. Practical steps are being taken by the OAU/AEC Secretariat to implement this decision. According to the Treaty once that Decision has been signed by the Current Chairman of the OAU/AEC and in this case by President Blaise Compaore, it automatically comes into force thirty days after signature. It does not need to be ratified by Member States.

Trade Liberalisation and Payments Facilitation

In accordance with earlier decisions taken by the Heads of State and Government of Eastern and Southern Africa to create a Free Trade Area by the year 2000, the third ordinary session of the COMESA which met in Kinshasa, the Democratic Republic of Congo in May 1998 noted that out of 21 participating countries only Comoros, Eritrea, Kenya, Uganda, Sudan and Zimbabwe had reduced their tariff levels to 80%. Malawi and Mauritius had reduced their tariffs by 70% while Burundi, Rwanda and Zambia have only reduced to 60%. On the other hand, Angola, Ethiopia and Madagascar have to date not effected any tariff reduction while Tanzania has simply announced its intention to reduce soon up to 80%. Because of their membership of the Southern African Customs Union (SACU) countries such as Namibia and Swaziland are not expected to reduce any tariffs until the year 2000.

In spite of the fact that the Democratic Republic of Congo (DRC) and Seychelles only recently joined COMESA, under special arrangements, the Congo immediately published 60% tariff reduction and undertook to reduce further to 80% in 1999 and up to 100% by October 2000. Seychelles awaits the outcome of its

Cross-Border Initiative (CBI) study in order to commit itself to the future implementation of the tariff reduction programme. Understandably, however, it is noted that their non-compliance could be attributed to the unstable political situation in that country.

Regarding the removal of non-tariff barriers, it is observed that while a lot of effort has been deployed in the Member States of COMESA in abolishing import and export restrictions, exchange control regulations, foreign exchange quotas, discriminatory exchange rates as well as imposition of import and export quotas, there still exist several administrative and customs obstacles as well as sanitary and phytosanitary regulations and above all payment restriction which do not foster intra-COMESA trade.

The COMESA rules of origin that govern the free movement of goods and services are being reviewed in order to bring them in line with the various liberal investment codes and bilateral agreements that the countries of the region have signed among themselves. Meanwhile, however, the value-added requirement has been reduced from 45% to 35% although Egypt, Uganda and Zambia have been granted temporary exemption from the application of this percentage.

Although the Customs guarantee regime was adopted in November 1990 to facilitate the movement of transit trade among community transporters, this Protocol is yet to be ratified for it to come into force. (In a subsequent article, the progress made by ECOWAS will be discussed.)

Financial Market Integration and the African Capital Market

Because of the fundamental need of financial resources in any economic endeavour, especially in building the African Economic Community, one of the first major activities undertaken by the OAU/AEC Secretariat, with the

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coming into force of the Abuja Treaty was to organise in June 1997 the Forum on Financial Market Integration in Mauritius. Complementary to that event was the International Conference earlier held in Accra, Ghana on 24-27 June, 1996 at which the African Capital Markets Forum (ACMF) was launched.

During the Mauritius Forum several recommendations were made for follow-up implementation. In the area of financial sector development the OAU/AEC Secretariat is tasked to promote mobilisation of savings, promote financial intermediation and improve investment promotion. Regarding capital market development and integration, recommendations cover the banking industry, insurance industry, the securities industry and the informal financial sector. To this end the OAU/AEC Secretariat plans to mobilise the required technical expertise to assist Member States to open up their domestic financial markets for foreign participation, especially in their regional banks; develop institutional infrastructure and regulations and put in place operational procedures to facilitate cross-border listings and trading in shares in the various national and regional capital markets in the African continent.

In the Banking sector the OAU/AEC Secretariat is required to work with the World Bank to formulate, in collaboration with the African national supervisory authorities, proposals for standardization of bank data; formulate regional prudential bank standards and common penalties. Investment Promotion programmes are to be developed in order to underpin the work of the African Capital Markets Forum which has embarked on a number of initiatives such as strengthening the capacity of local stock exchanges, training operators in capital market operations and to promote regional cooperation among regional stock exchanges. Furthermore, the African Capital Markets Forum plans to work jointly with the OAU/AEC Secretariat to promote, *inter-alia* the sharing of research information on

the securities industry regarding market trends, promoting harmonization of securities laws, disclosure rules and accounting standards to advance cross-border listings; the development of information technology network to link up African capital market institutions and develop and maintain trading data bases as well as promote the further liberalization of investment laws which would foster cross border investment and the provision of appropriate financial services.

AEC in the emerging International Trading and Financial System

In the face of the on-going twin trends of globalisation and liberalisation of the World Economy, Africa can only position itself as a force to be reckoned with if it implemented faithfully its Treaty establishing the African Economic Community. Hence Africa needs to strengthen its participation in the World Trade Organization which is implementing the contractual Uruguay Round Agreement. The OAU/AEC Secretariat needs to prepare its member States to ensure that they respond to their commitments in the Agreement and to perceive the likely opportunities offered by the same.

The negotiations for a successor to the ACP-EU Lome IV Convention is to be carefully prepared and carried through. The need to ensure that, while complying with the new requirements of the World Trade Organisation, Member States of the OAU/AEC do not unduly suffer is the objective of the Secretariat.

There are also a number of initiatives aimed at assisting Africa's economic development effort and to help her get integrated into the emerging world economic, trade and financial system. These are the US-Africa Economic Partnership launched by President Clinton on the one hand and the relevant draft Bill, "Africa Trade and Development Act". Besides the OAU/AEC Secretariat needs to pursue the conclusions of the Asia-Africa Cooperation Framework which seeks to promote export between the two regions.

This is to be done in the broader framework of the outcome of the Tokyo International Conference for African Development (TICAD II). In this connection, the OAU/AEC, in collaboration with the RECs, would assist Member States to follow up on the practical implementation of the business trade and investment promotion events of the framework. □

** Mr. F.Y. Alipul is Head of Trade Tourism, Customs, Monetary and Finance Division in EDECO Department.*

Meeting of the Committee on Transport, Communications and Tourism of the African Economic Community (AEC), Addis Ababa; 10 – 11 May, 1999

Ministers of the Member States of the African Economic Community (AEC) responsible for Transport, Communications and Tourism will meet in Addis Ababa from 10 – 11 May, 1999. The Meeting of the Committee of Ministers will be preceded by a Preparatory Meeting of Experts in Transport, Communications and Tourism at the same venue from 3 – 7 May, 1999.

The Committee on Transport, Communications and Tourism was created by Article 25(e) of the Treaty establishing the AEC and entrusted with the responsibility of ensuring, among others, the co-ordination and harmonisation of projects and programmes of the Community.

The Meeting of the Committee, being the first of its kind under the Treaty, is expected to review the development of the Sector and adopt recommendations that will stimulate as well as accelerate the development of the Sector. □



L'AFRIQUE PEUT-ELLE RELEVER LE DEFÍ DU PROGRAMME D'ACTION DE TOKYO?

*Par Dr. Kouassi N'Guettia René**

INTRODUCTION

Du 19 au 21 octobre 1998, la communauté internationale, avec à sa tête, le Japon, a tenté, pour la n-ième fois, de venir au secours d'une Afrique exsangue et meurtrie par des conflits qui tirent essentiellement leur origine de la pauvreté, voire la misère qui constitue son lot quotidien. La deuxième conférence internationale de Tokyo sur le développement en Afrique (TICAD II), de par son contenu, et de par la conviction et l'émotion avec lesquelles les orateurs ont livré leurs différents messages, présentait l'allure d'une messe au cours de laquelle tous les acteurs du développement (les offreurs comme les demandeurs) étaient conviés à faire leur mea culpa par rapport à la déconfiture économique et sociale qui caractérise le continent africain. En fait, tout a été dit au cours de la TICAD II. D'une part, les offreurs du développement, notamment les institutions internationales et les pays développés ont reconnu l'inefficacité des stratégies antérieures d'aide au développement. Dès lors, ils ont présenté les contours de leurs nouvelles approches au coeur desquelles figure le concept de "ownership" ou de l'appropriation par les pays aidés de leurs stratégies de développement. Somme toute, le bloc des offreurs du développement entend bâtir un nouveau partenariat avec les pays pauvres dans lequel "l'ownership", la démocratie, la stabilité politique, la paix, la bonne gouvernance, la participation de la société civile, etc... constituent la toile de fond. D'autre part, les pays africains, les demandeurs du développement ont exprimé une volonté collective visant à conjurer le mauvais sort, et de facto à s'engager résolument, et de manière

irréversible sur les sentiers d'un développement durable. Pour justifier un tel engagement, des messages comportant à la fois, une autocritique et des idées novatrices ont été lus et discutés. Les africains ont donc totalement adhéré aux vertus de ce partenariat "new look", et ont promis de ne ménager aucun effort pour la mise en oeuvre de ses différents éléments constitutifs.

La TICAD, qui est à sa deuxième session (la première fut organisée à Tokyo du 5 au 6 octobre 1993) est une initiative du Japon pour soutenir la résolution des Nations Unies connue sous le nom de l'UN-NADAF, et qui a pour objectif de servir de cadre au consensus et au partenariat entre l'Afrique et la communauté internationale.

Le Programme d'Action de Tokyo (PAT), fruit de la TICAD II, comporte des atouts majeurs que l'Afrique peut mettre en pratique pour son "Take Off" économique. Nous ne reviendrons pas sur les articulations essentielles des TICAD I et II. Mais nous nous posons la question de savoir si l'Afrique est en mesure de saisir la chance que lui offre l'Asie à travers le Japon. En d'autres termes, saura-t-elle créer la dynamique requise pour concrétiser le Programme d'Action de Tokyo? Les crises structurelles qui la caractérisent, doublées des difficultés à y exercer l'alternance démocratique, porteraient à croire que le Programme d'Action de Tokyo (PAT) risque de revêtir l'allure d'un coup d'épée dans l'eau.

A première vue, on serait tenté d'affirmer que la réponse à cette question relève d'une énigme. Toutefois, nous osons croire qu'accorder une suite négative à ce questionnement procéderait

de l'afro-pessimisme, et de facto, d'une vision ringarde de l'Afrique. Ce continent regorge d'immenses potentialités lui permettant de répondre positivement au challenge que lui lance l'Asie à travers la TICAD II. Pour notre part, ce défi est à portée de main de l'Afrique à condition qu'elle y croit et qu'elle fasse sa mue au regard de ses pratiques antérieures.

En premier lieu, les africains doivent se doter de la culture du respect de la parole donnée. Cette culture, fondée sur la logique du respect de soi-même, et donc sur la dignité constitue l'une des conditions essentielles pour le succès de toute oeuvre humaine. L'invocation de cette idée résulte de la pléthore de résolutions, déclarations et recommandations qui sont en souffrance dans les archives des bureaux ministériels et de ceux des organisations régionales et continentales. Généralement, les gouvernements africains s'empressent d'apposer leur signature au bas des textes fondateurs des structures communautaires ou panafricaines. L'enthousiasme avec lequel les textes sont ratifiés laisse entrevoir une volonté manifeste des Chefs d'Etat et de Gouvernement pour leur exécution. Mais une fois de retour dans les pays d'origine (cas où l'on a effectué un voyage pour la ratification des textes), ces textes sont classés aux calendes grecques du fait de la prédominance des contraintes locales sur les obligations communautaires ou panafricaines. Sans exagération, l'on peut évaluer à des centaines de tonnes le volume de résolutions, déclarations, recommandations, etc... qui sont stockées dans les archives parlementaires, ministérielles et d'institutions régionales ou interafricaines. Et pourtant, ces documents ont

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été librement ratifiés, donc sans aucune contrainte, par les autorités africaines. Les crises contemporaines qui caractérisent le continent (mutations démocratiques, conflits frontaliers, endettement croissant, chômage chronique, réfugiés, populations déplacées) ne sont pas de nature à modifier un tel comportement. Loin s'en faut, elles auront pour effet de conduire les dirigeants africains à désobéir davantage aux contraintes régionales ou panafricaines. Par conséquent une telle attitude qui aura tendance à se manifester fonde notre inquiétude quant à l'application, de la part des africains, du Programme d'Action de Tokyo. En vérité, les dirigeants africains, sous la pression des contraintes nationales, foulent au pied les accords qu'ils ont, pourtant, librement ratifiés.

A la lumière de ce qui précède, nous notons que si les autorités africaines réservent un traitement identique au Programme d'Action de Tokyo, celui-ci viendrait alors grossir le volume des engagements ratifiés, mais non honorés. Par conséquent, nous les invitons à se départir de tels comportements, et d'avoir le sens de l'honneur et de l'histoire. Nonobstant les difficultés qu'elles connaîtront, elles ne doivent épargner aucun effort pour lier l'acte à la parole. C'est dans un tel cadre que les partenaires au développement leur accorderont non seulement un crédit, mais aussi pourront jouer pleinement leur partition dans l'approche nouvelle de partenariat qu'ils entendent développer avec le continent africain. Aussi l'adéquation entre la parole donnée et l'acte est-elle de nature à favoriser la concrétisation de toutes les initiatives que les pays africains prendraient à leur niveau d'une part, et d'autre part, à honorer les engagements pris à l'égard de leurs partenaires. Si de telles conditions sont respectées, nous serions enclins à croire à l'exécution du Programme d'Action de Tokyo.

En deuxième lieu, nous notons que l'Afrique peut s'inspirer de l'expérience asiatique. La crise qui s'est emparée de la plupart des économies asiatiques ne doit pas l'en dissuader. A contrario, elle se doit de faire un diagnostic minutieux du modèle asiatique pour en extraire les éléments positifs qu'elle pourrait adapter à ses propres réalités.

M. Bechir B.Y., dans son éditorial "Ce que je crois" (cf. Jeune Afrique N° 1965 - du 8 au 14 septembre 1998), se fondant sur un texte de Lee KUAN YEW (le fondateur de la ville-Etat de Singapour) nous rappelle les articulations essentielles du succès asiatique. Ainsi, selon Lee KUAN YEW, si les "Dragons de l'Asie" ont réussi une extraordinaire percée économique au cours des vingt-cinq dernières années, c'est bel et bien parce qu'ils ont mis en pratique ces valeurs asiatiques dont on a assez dit (avant la crise) qu'elles donnaient à l'Asie une supériorité certaine sur l'Occident. Pour L.K. YEW, "ces valeurs invitent à travailler dur, à faire des économies et à investir dans l'avenir des enfants, à les éduquer et à placer les intérêts de la communauté au-dessus de ceux de l'individu". Ce passage est significatif et assez explicatif de l'extraordinaire croissance des dragons asiatiques. Pour bénéficier d'une telle expérience, les pays africains doivent développer des stratégies qui se structurent autour des éléments qui suivent.

(a) L'ardeur au travail

Les africains doivent se débarrasser de tout préjugé faisant d'eux des paresseux prêts à mendier pour leur survie. Les thèses ethnologiques ou sociologiques qui s'évertuent à faire admettre une telle caractéristique doivent être combattues. Pour y parvenir, l'homme africain se doit de travailler dur pour dompter son environnement. Il doit être maître de son destin par l'entremise du travail. Il n'y a pas de peuple prédestiné aphasique à son environnement.

Le travail dur doit s'exercer dans tous les secteurs d'activité pour permettre à l'Afrique d'approprier son destin, et d'offrir à son peuple un cadre de vie garantissant toutes les conditions de bien-être social.

(b) L'épargne

Selon l'analyse économique néo-kencysienne, l'épargne demeure la partie non consommée du revenu. Cette approche résiduelle de l'épargne enseigne que si l'on veut épargner, alors, l'on doit moins consommer. En matière d'arbitrage entre la consommation et l'épargne, il est à retenir que l'Asie a fait montre d'un modèle que l'Afrique peut importer. En effet, la préférence des asiatiques pour l'épargne par rapport à la consommation n'est plus à rappeler. Tous les spécialistes des études portant sur l'Asie sont unanimes à reconnaître l'intérêt que ce continent porte pour l'épargne. Ainsi, il est admis que les asiatiques restent sobres, préférant réaliser de substantielles épargnes. Cette préférence pour le futur par rapport au présent a, partiellement, permis aux asiatiques de réunir des moyens considérables pour le financement de la dynamique interne de leur croissance économique.

En Afrique, l'on explique l'insignifiance de l'épargne par la faiblesse des revenus, et par l'inégalité de la répartition des fruits de la croissance. Une telle argumentation est de plus en plus taxée de ringarde par des études qui montrent que l'épargne existe en Afrique mais sous forme de thésaurisation. Ceci est généralement justifié par la pauvreté en infrastructures bancaires, et par le manque d'une véritable politique de mobilisation de l'épargne nationale. Toutes ces contraintes doivent donc être des serrées pour mobiliser les africains autour du concept central de l'épargne afin de permettre au continent de trouver, en son sein, les ressources nécessaires de son "Take off" économique.

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Une idée connexe liée à la pénurie de l'épargne en Afrique réside dans la détention, hors du continent, par les banques occidentales des ressources privées appartenant aux africains. L'on estime ces dernières à 73% contre un pourcentage relativement faible pour les autres zones du monde en développement. Pour arrêter une telle hémorragie, les autorités africaines doivent développer et consolider les institutions bancaires. Aussi doivent-elles instaurer la sécurité économique pour favoriser le reflux de ces capitaux, et pour mobiliser les investisseurs privés étrangers. Pour favoriser le reflux des avoirs africains, les dirigeants doivent eux-mêmes donner l'exemple. Ils doivent légiférer sur le transfert illicite de ressources. Ceci doit être considéré comme une infraction assortie de sévères sanctions. Si de telles dispositions sont respectées sur le continent, les partenaires au développement y trouveraient un motif manifeste pour s'intéresser à l'Afrique.

(c) L'investissement

Comme en Asie, une fois l'épargne réalisée, elle doit être investie dans des activités productives. L'Afrique s'est depuis longtemps beaucoup appesantie sur les investissements ostentatoires ayant très peu de valeur ajoutée, et produisant un faible effet sur l'emploi. Il est temps, si l'on veut s'inspirer du modèle des dragons, d'inverser la tendance, voire de changer de comportement. Oui à l'investissement, mais à l'investissement productif développant un effet d'entraînement substantiel sur le reste de l'économie. L'état, en sus de ses tâches régaliennes, doit créer un environnement propice à une saine compétition entre les opérateurs économiques. Cette répartition de rôles entre l'état et l'initiative privée (quelle que soit sa nationalité) constitue une source indéniable pour la valorisation des ressources locales.

(d) L'éducation

De façon générale, les pays africains enregistrent des taux d'analphabétisme relativement élevés. Les efforts déployés par certains pays pour venir à bout de ce fléau restent encore insuffisants pour hisser l'Afrique au même niveau que l'Asie. Dans ce dernier continent, apprendre constitue une vertu. Dès lors l'on accorde une importance manifeste au système éducatif. La primauté faite à l'éducation et à la formation est un gage majeur pour améliorer le capital humain que l'analyse économique désigne comme le "stock de connaissances valorisantes économiquement et incorporés aux individus". L'éducation est considérée de nos jours comme une des principales sources de la croissance économique d'un pays ou d'une région donnée. Généralement, le concept de capital humain est défini comme "l'ensemble des capacités d'un individu susceptibles de contribuer à son efficacité productive: le niveau d'éducation, la santé, les capacités physiques, l'expérience professionnelle, l'intelligence,....." Aujourd'hui, l'un des modèles fondateurs de la théorie de la croissance endogène, celui de R.E. LUCAS (Prix Nobel 1995), intègre le capital humain comme facteur de production à côté des deux facteurs traditionnels (le travail et le capital). Cette réalité, les pays asiatiques en général, et le Japon en particulier, l'ont bien comprise en faisant de la formation de l'homme, le socle de leur succès économique.

Si l'Afrique veut s'inspirer du modèle asiatique, elle doit faire de la formation de ses citoyens la priorité de ses priorités. Elle doit admettre que la croissance, voire le développement connaissent un passage obligé: la formation de l'homme. Les dirigeants africains doivent donc accepter d'opérer de profondes mutations dans leur comportement antérieur qui consiste à sacrifier l'école sur l'Autel

des programmes d'ajustement structurel. En d'autres termes, l'austérité budgétaire préconisée par les institutions de Washington, ne doit pas se faire au détriment de ceux qui ont à charge la noble tâche d'éduquer et d'instruire les populations. Les dépenses liées à l'éducation, et à la recherche ne doivent pas être perçues comme des dépenses improductives ou comme un luxe. A contrario, elles doivent être considérées comme celles qui permettent de tracer les sillons de l'avenir. L'exécution de la partition de l'Afrique dans le Programme d'Action de Tokyo en dépend fortement.

En troisième lieu, nous pensons que l'épanouissement de la culture de la démocratie que recommande le PAT est réalisable en Afrique. En effet depuis l'effondrement du bloc de l'Est, l'Occident victorieux de la guerre froide, entend dans cette mouvance universaliser la démocratie grecque qu'il expérimente (la perfection n'étant pas encore atteinte) depuis plus d'un siècle. Une telle démocratie est-elle applicable en Afrique, en raison de sa diversité culturelle et de l'hétérogénéité des peuples qui la composent? L'esquisse de solution à cette interrogation a, à son tour, suscité d'autres questions. Faut-il démocratiser l'Afrique? Ou faut-il "africaniser" la démocratie? A quelle thèse convient-il d'adhérer? La question reste ouverte. Mais, nous soulignons que les dirigeants africains ont unanimement affirmé leur adhésion, au cours de la TICAD II, aux vertus de la démocratie universelle. En exprimant leur volonté manifeste de démocratiser leurs pays, ils ont toutefois, évoqué une condition: la démocratisation doit s'opérer selon le rythme et les réalités de chaque pays. Une telle approche a été largement appuyée par le Dr. Salim Ahmed Salim, l'actuel Secrétaire Général de l'Organisation de l'Unité Africaine (OUA) qui croit fermement au succès du processus de démocratisation du continent. Cette vision que nous considérons mature, s'inspire profondément de la

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sagesse africaine. Car en Afrique, un adage dit ceci: "si vous voulez tuer une souris que vous avez identifiée dans votre maison, évitez de courir après sous peine de tout y casser". Ainsi, pour éviter de casser tous les meubles de sa maison en courant après une souris, la sagesse africaine préconise que l'on soit patient. Alors elle propose cet autre adage: "Avec beaucoup de patience et de sagesse, on parvient toujours à dépecer le plus petit insecte de la faune, et à découvrir ses poumons".

Tout ceci pour dire aux partenaires du développement de l'Afrique de ne pas la précipiter sur le chemin de son processus de démocratisation. Car dans sa structure actuelle l'Afrique n'est pas en mesure de se hisser au même niveau de démocratie que les modèles de référence. Mais, avec le temps, elle y parviendra. Par conséquent, ils ne doivent pas trop lier leurs apports financiers à l'application, dans les mêmes termes de la démocratie grecque.

Cependant, une telle attitude ne doit pas constituer un blanc-seing pour les pays africains. Dans la marche progressive vers la démocratisation, ces derniers doivent se soumettre aux conditions suivantes: instaurer des institutions républicaines, les respecter tout en les consolidant; libéraliser la presse et la responsabiliser; respecter les droits de l'homme,... La soumission aux institutions que l'on a librement établies corrélativement aux besoins, et aux réalités du pays, procède de la culture du respect de la parole donnée, et donc de la dignité. Les constitutions et les codes électoraux taillés à la mesure des Chefs d'Etat et de Gouvernement, les "soubresauts" constitutionnels préélectorales, etc... sont de nature à susciter des frustrations qui, à leur tour, peuvent être à l'origine des conflits, déchirements et autres fléaux auxquels l'on assiste aujourd'hui et qui sont préjudiciables au décollage des économies africaines. L'assertion, "les hommes passent, les institutions et la nation restent" doit constituer un aiguillon pour les dirigeants africains dans leur gestion quotidienne. Ceci leur

évitera de ne pas confondre l'intérêt particulier et l'intérêt général, ce dernier devant avoir la primauté sur le premier en tout temps.

CONCLUSION

Au total, il est à retenir que l'Afrique regorge de potentialités de nature diverse qui lui permette de relever le défi que lui propose le Programme d'Action de Tokyo. Les conditions pour y arriver demeurent: le respect à la parole donnée, l'application des éléments positifs du modèle asiatique, l'avancée progressive sur le sentier de la démocratie dans le respect des institutions républicaines, et la primauté à la satisfaction de l'intérêt général. De telles dispositions, nous en sommes sûrs, pourraient motiver davantage les partenaires au développement à honorer leurs différents

engagements. L'hypothèse dans laquelle l'Afrique jouerait sa partition et où les partenaires n'obéiraient pas entièrement à leurs engagements, donnerait à penser que le Programme d'Action de Tokyo cacherait quelque chose. Que pourrait-il cacher? L'exhibition de la sympathie de l'Asie à l'égard des souffrances de l'Afrique? La tentative d'une reconquête du marché africain par les transnationales asiatiques? Le "Wait and See" anglo-saxon nous aidera à mieux apprécier la mise en oeuvre de ce nouveau partenariat contenu dans le Programme d'Action de Tokyo. En attendant le moment pour rendre notre verdict, nous recommandons aux pays africains de n'épargner aucun effort pour ne pas donner raison aux partenaires asiatiques. □

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RELANCE DE LA COMMUNAUTE ECONOMIQUE DES ETATS DE L'AFRIQUE CENTRALE (CEEAC)

C'est à la suite d'un mandat confié à la Commission Economique pour l'Afrique (CEA) par les Chefs d'Etat et de Gouvernement des Etats membres de la CEEAC au mois de février 1998 qu'une mission circulaire s'est rendue dans tous les pays de la région à l'exception de la République Centrafricaine, pour relancer cette Institution régionale, tombée en léthargie depuis 1992, année où s'est tenu le dernier Sommet. Le Secrétariat de l'OUA, en tant que membre du Secrétariat conjoint de l'AEC y a participé.

Cette mission qui s'est voulue avant tout, une mission à l'écoute des pays visités, a rencontré toutes les couches des populations de la région: premiers ministres, ministres, parlementaires, cadres de la fonction publique et du secteur privé, entrepreneurs des secteurs public et privé, organisations non gouvernementales et intergouvernementales, coordinations du système des Nations Unies, associations socio-professionnelles, organisations des femmes, des étudiants et élèves. Un large débat s'est ainsi instauré sur la relance de la CEEAC et les enjeux de l'intégration régionale.

De ce débat, les quatre domaines de concentration suivants ont été identifiés: la paix, sécurité et stabilité; l'intégration humaine; l'intégration physique, économique et monétaire; et la capacité d'analyse, d'action, d'intervention, de communication et de négociation.

Ce sera sur la base de ces quatre domaines de concentration que la mission circulaire présentera son rapport à la Conférence des Chefs d'Etat et de Gouvernement de la CEEAC qui se tiendra à MALABO, en Guinée Equatoriale.

Ce rapport sera accompagné de trois documents:

- **Le cadre stratégique pour l'intégration régionale et la coopération sous-régionale en Afrique Centrale;**
- **Le programme de relance pour la période triennale 1999-2001;**
- **Le programme d'appui institutionnel.**

Une fois que le rapport et les documents seront approuvés et que les ressources nécessaires seront dégagées, la CEEAC qui constitue l'une des cinq communautés économiques régionales (CER) constituant les piliers de l'AEC pourra reprendre ses activités.

Le nouveau Secrétaire Général de cette CER est le Général Louis Sylvain GOMA, ancien Premier Ministre de la République du Congo. □

AFRICAN TAKE OFF

by Vijay Poonoosamy*

US Secretary of Transportation Rodney Slater stated in July 1998, in Senegal: "Transportation is the tie that binds, the foundation to a strong economic policy and also economic vitality".

However, it is painfully evident that the inevitable pre-occupations in African countries are the bare necessities of life and national survival, in particular of food, health and education. Civil aviation is, therefore, simply one sector competing with such pressing needs for a share of scarce development resources.

Aspects of the Airline Industry in Africa

According to the Airbus Industrie 20-year "GLOBAL MARKET FORECAST: 1997-2016", about 800 new aircraft will have to be acquired for African airlines during the next 20 years. Total investment in these aircraft will be about 35 to 40 billion US dollars over the period if all are purchased new. However, such level of capital financing will simply not be available for African airlines.

African airlines face enormous difficulties in financing new and quieter aircraft because of inadequate profit levels, excessive finance charges, national debt constraints and unfavourable exchange rate fluctuations that further hinder their participation in international air transport. Moreover, African airlines are particularly and more severely affected by the arbitrary and excessive taxes, fees and user charges imposed on international civil aviation.

The participation of African airlines in international air transport is also affected, *inter alia*, by access to convenient slots at airports as well as

access to unbiased and reasonably priced computer reservations systems. The mega-carriers, with their frequent flyer programmes and strategic alliances, are also a legitimate cause for concern for the survival of many African airlines.

Whilst most of our competitors can draw on their reserves, state aids, cross-subsidisation or Chapter 11 protection to support a suicidal below-cost pricing policy and related over-capacity, African airlines do not have access to such luxuries.

Trends in the Air Transport Industry

For the world in general and African countries in particular, times are now harder and will get worse. Whereas it is often said that interna-

tional air transport is today at a cross-road, that many African airlines may well be facing the end of the road, this fear is even more pressing in the light of certain dramatic changes that are occurring in the broader world environment in which international air services are provided and regulated. These trends include multinationalisation, liberalisation, privatisation, globalisation and other phenomena which impact upon air transport and its existing regulation by States.

In the light of the above, developing countries' airlines must be sensitive to the fact that their view of air transport as a public utility and as necessary and critical instruments of socio-economic development and for the maintenance of vital communication links is only tenable if they are profitable. What should be promoted, therefore, is a

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Training of pilots: an essential element of safety of air transport.



commercially viable airline, sensitive to the national or even regional socio-economic realities and not a national socio-economic entity oblivious to commercial realities. African airlines, therefore, need to re-invent themselves within the context of gradual progress, orderly and safeguarded liberalisation of air transport.

Management of Change in the Industry

To survive and thrive in an increasingly competitive air transport environment, all airlines must identify and take the avenues of mutually profitable co-operative ventures. However, pooling of weaknesses will only compound the difficulties. The urgency, therefore, must be the improvement of each airline by focusing on a carefully planned policy of commercialisation to develop its competitiveness.

The starting point for embracing and managing the necessary change remains a competent management, running the airline free from outside interference. A competent management will know how to develop a product which can be advantageously differentiated from others in the market and how to manage intelligently the conflicting objectives of the airline's various stakeholders.

For airlines to do so, strategic synergies must be developed, costs must be contained, yields must be improved, team building and economic value adding must be promoted at all times and at all levels, excellence and total quality must be pursued with diligence and determination and, above all, safety and security must never be compromised. The aviation safety and security chain is obviously as strong as its weakest link.

Infrastructure

In spite of the recent tremendous increase in air traffic in Africa, the infrastructure in many African states has either remained the same or has deteriorated. According to the International Federation of Airline Pilots Asso-

ciations (IFALPA), most of the airspace north of Zimbabwe is uncontrolled, with very little radar and no VHF radio coverage. Forty-one of the 55 States in the African and Indian Ocean (AFI) region of ICAO have no secondary surveillance radar. HF communications is difficult but frequently, it is the only means of maintaining links. Infrastructure and facilities generally suffer from disrepair and neglect.

Initiatives in the Sector

It is against this background that President Clinton's "Safe Skies for Africa Initiative" to promote sustainable improvements in aviation safety and airport security in Africa is both timely and encouraging. Significantly, more financial and human resources are obviously called for. It is interesting to observe that African countries, at the level of the African Indian Ocean region and SADC have adopted a number of measures aimed at improving the management of airlines, airport infrastructure and safety, and security of air transport in Africa, through the provision of CNS/ATM as well as putting in place a regulatory mechanism.

These measures are contained, among others, in the broad policy directives outlined in the SADC Protocol. They are taken up in four pieces of proposed Model Legislation namely: the Investment in Transport Act, the Provision of Air Services Act, the Airports and Air Traffic and Navigation Services Act and the Civil Aviation Regulatory and Safety Authority Act.

The principal objective of these measures is to enhance private sector confidence and interest in the air transport sector. According to UNIDO, the essentials required for such an enhancement are:

- a credible legal and regulatory framework;
- a credible administrative framework to expedite and support project implementation;
- an explicit national development policy that clearly commits a

government to promote private sector participation and;

- A clear government commitment to conclude investment agreements within a reasonable time.

These essentials are recognised by the proposed Investment in Transport, Provisions of Air Services, Airports and Air Traffic and Navigation Acts and Civil Aviation Regulatory and Safety Authority.

Another interesting initiative is the launching in Mauritius of CARAT - Consulting for African and Regional Air Transportation. The mission of CARAT, in which Air Mauritius is the major shareholder, is to help the African airline industry to achieve competitive advantage and sustained profitability.

Conclusion

The formidable interest, which the US is showing in Africa, is praiseworthy. Such interest underscores one of the fundamentals in international relations, which is, that States need one another and depend on one another. States may argue, compete, develop socio-economically at a faster pace and pursue different, if not opposing geo-political goals, but they do all this as a community of linked interests. That has been the tradition of international relations, it remains valid and there is no doubt that it will still be valid in the future. The African Growth and Opportunity Bill responds to this necessary partnership and will definitely promote the forthcoming African renaissance if it is recognised that only more aid will lead to more trade.

Indeed, success will not come from opportunities only but from the necessary ability to make the most of the opportunities. For a variety of historical, political and social reasons, that ability is currently lacking in Africa. Our well wishers should, therefore, join us to invest in education, training, infrastruc-

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ture, health and good governance to enhance the African ability to make the most of the opportunities. Significantly, more aid is, therefore, required to promote the sustainable socio-economic development of Africa. More trade will inevitably follow.

Through discussions and with respect for each other's reasonable interests and concerns, we can, and indeed we must, develop a progressive agenda to promote policies which will enhance the socio-economic and political stability of African States, deal cost-effectively and diligently with infrastructural problems and environmental concerns and thereby contribute to our sound economic growth and sustained development. Yours, the world's and ours. □

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** Note: This is an abridged version of a paper delivered by the Author at the National Summit on Africa, Southeast Regional Summit, 7-10 May, 1998, Atlanta, Georgia, U.S.A.*

4ème Foire Commerciale Afro-Arabe

Dakar, la capitale du Sénégal, accueillera du 15 au 25 avril 1999, la 4ème édition de la Foire Commerciale afro-arabe. Les objectifs assignés à cette manifestation sont les suivants:

- favoriser une meilleure connaissance des marchés et des produits;
- créer un cadre de promotion commerciale pour développer les échanges commerciaux;
- promouvoir l'établissement de courants d'investissements et favoriser les relations de coopération et de partenariat inter-entreprises. □

COMESA SUMMIT

The third Summit of the Heads of State and Government of the Common Market for Eastern and Southern Africa (COMESA) was held on 27th June 1998 in Kinshasa, Democratic Republic of Congo. We are pleased to reproduce an excerpt of the Final Communiqué issued on 29 June 1998.*

After the formal opening of the Summit, the Authority:

ADMITTED the Arab Republic of Egypt as a full Member State of COMESA, and invited the Heads of State or Government to sign the Agreement regarding the accession of the Arab Republic of Egypt to the COMESA Treaty.

Honourable Amr Moussa, on behalf of President Hosni Mubarak, thanked the COMESA Authority for their unanimous approval of Egypt's membership of COMESA. He affirmed that Egypt's membership would launch an active process aimed at enhancing integration between Egypt and other COMESA Member States.

Honourable Moussa emphasised that Egypt shared similar aspirations with other COMESA members to make a qualitative leap in the economic and social fields. He reiterated Egypt's determination to contribute positively to the attainment of the objectives of COMESA and her commitment to the target of the establishment of a Free Trade Area by the year 2000.

The COMESA Authority then resolved on other agenda items as follows:

CONSIDERED and **ADOPTED** the Report of the Fifth Meeting of the Council of Ministers relating to COMESA.

REITERATED that all Member States should endeavour to fulfil the timetable set for the establishment of a

COMESA Free Trade Area by the year 2000, a Common External Tariff by the year 2004, and adopted the resolution on the COMESA Free Trade Area.

AGREED on the need to accelerate the implementation of the trade and transit traffic facilitation programmes, which COMESA has put in place. These programmes include the Tariff Reduction Programme, the removal of all non-tariff barriers, the Customs Bond Guarantee Scheme, the COMESA Carrier's License, the COMESA Customs Document, the Harmonisation of the COMESA Tariff Nomenclature and the Harmonised Road Transit Charges.

ENDORSED the decision of the Council to reduce the minimum local value added from 45% to 35% for all goods originating from COMESA to qualify for preferential tariffs and the exemption with respect to Uganda, Zambia and the Arab Republic of Egypt from applying the 35% pending the completion of the Study on the Rules of Origin.

DECLARED the realisation of a Free Trade Area in Agricultural Products by the year 2000 as a prelude to the eventual attainment of a Free Trade Area for all products and, to that extent, urged Member States to improve the administration of phytosanitary and quarantine measures.

REAFFIRMED the need for early conclusion of a comprehensive common agricultural strategy, which shall include common policies on product standards, phytosanitary and sanitary measures in accordance with international practice.

URGED Member States to expeditiously develop national strategies for industrialisation which are consistent with the regional strategy.

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President Chiluba, COMESA Authority Chairman, being welcomed at Kinshasa Airport by H.E. Mr. Ian Sikazwe, Zambia's Ambassador to the Democratic Republic of Congo. (COMESA Journal Vol 2 No. 4.)

AGREED on the need for Member States to establish national irrigation coordinating units where they do not exist, and a joint regional irrigation programme to co-ordinate national and regional policies, strategies and action programmes on water and sustainable agricultural development.

REQUESTED Member States to strengthen existing national Standardisation institutions or establish them where they do not exist.

DECLARED the designation of the COMESA region as a **COMMON INVESTMENT AREA** upon the attainment of a Free Trade Area and urged the Member States to promote investment into the region as a whole so as to take advantage of the large market.

ENDORSED the decision of the Council to revise the COMESA fiscal and monetary harmonisation programme.

ENDORSED the decision of the Council on the establishment of a Private Limited Liability Company, to be known as COMTEL, to build, manage and operate the regional

Telecommunications Interconnectivity Network, and adopted the **RESOLUTION** on the formation of the Company.

URGED Member States to support the activities of their National Associations of Women in Business.

RECOGNISED the establishment of a COMESA Consultative Committee of the Business Community in terms of Article 7 of the COMESA Treaty, and endorsed the recommendations of Council intended to facilitate the strengthening of the private sector organisations in COMESA.

REAFFIRMED the need for the continued special relationship between the European Union and the Member states, in the area of regional economic integration, trade promotion and development, and mandated the Secretariat to request the Commission of the European Union to provide funding for projects that strengthen regional integration.

EXPRESSED their continued appreciation for the contributions provided by the international donor

community to the COMESA programmes.

APPRECIATED the continued efforts of the Secretariat to enhance co-operation and complementarity with other African regional economic groups within the context of the attainment of an African Economic Community.

REITERATED the need to maintain peace and security in the region as a prerequisite for the smooth implementation of the COMESA economic integration process.

ENDORSED the need for all Member States to enhance the utilisation of the Internet as a means of communication with the Secretariat and with other Member States so as to exploit the potential of information availability as a tool for increased trade and investment in COMESA.

AGREED on the need for Member States to adopt common positions in the framework of the decisions taken by the Assembly of Heads of State and Government of the OAU/AEC, on matters of international concern, particularly on the World Trade Organisation, future ACP-EU Relations and the US Initiative on a New Trade and Investment Policy on Sub-Saharan Africa.

NOTED with concern the new negotiating position adopted by the European Union as regards future EU-ACP relations. The Authority stressed the need for the ACP Group of States to negotiate as a cohesive group, in order to ensure the interests of the group are maintained.

URGED Member States who have not done so, to accede to the Agreement establishing ZEP-RE, facilitate business cessions and subscribe to the share capital of the institution.

AGREED on the need to restructure the COMESA Clearing House and mandated the Bureau of Council to

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mobilise financial resources for putting in place the proposed new services such as a Regional Guarantee Facility to provide political risk cover.

ENDORSED the decisions of the Board of Governors of the PTA Bank to urge Member States that have not yet joined the Bank to do so as soon as possible; and to increase the Capital Stock of the Bank by raising the share capital from 540 million COMESA Dollars to 5.4 billion COMESA Dollars; and adopted the resolution concerning the expanded membership of the Bank.

ADOPTED the Protocol on the Free Movement of Persons, Labour and Services, the Right of Establishment and Residence, and took into account the need to recognise special circumstances with regard to Mauritius and Seychelles when implementing Articles 9, 11 and 12 of the Protocol.

ADOPTED the Amendments to the COMESA Treaty under Article 1, to empower the Authority to consider and admit new Member States into COMESA.

ADOPTED the Amendment to the Protocol on the Rules of Origin for Products to be traded between the Member States of COMESA, under Rule 2, to empower Council, subject to the approval of the Authority, to amend the percentage values and the value added as may be necessary from time to time.

APPOINTED the Honourable Mr. Justice A.M. Akiwumi, the Honourable Mr. Justice James B. Kalaile, the Honourable Mr. Justice K.R.A. Korsah, the Honourable Mr. Justice Adrien Nyankiye, the Honourable Mr. Justice James M. Ogoola, the Honourable Mr. Justice Ernest L. Sakala as Judges of the COMESA Court of Justice for terms of five years each, and the Honourable Mr. Justice Josaaphat L. Kanywanyi as Judge and President of the Court of Justice for a term of five years.

REAFFIRMED the need for Member States that had not yet ratified the Treaty and other COMESA Legal instruments do so as soon as possible.

APPOINTED Mr. Erastus J. O. Mwencha as Secretary-General of COMESA for a period of five years and Mr. Sindiso N. Ngwenya as Assistant Secretary-General of COMESA for a period of five years.

EXPRESSED gratitude to His Excellency Laurent Desire Kabila, President of the Democratic Republic of Congo, the Government and the people of the Democratic Republic of Congo, for the warm and fraternal hospitality extended to all the delegations. □

*Ed. Note: * This excerpt was taken from Volume 2, Issue 4 of November 1998 of COMESA Journal "Integrating Trade and Investment Regionally".*

Governing Council of the Common Fund for Commodities meets in Arusha

The 10th annual meeting of the Governing Council of the Common Fund for commodities (CFC) met in Arusha, Tanzania, from 14 to 15 December 1998. The OAU/AEC Secretariat, which was represented by Dr David Luke, Chief of Trade and Tourism, was officially welcomed to the meeting as a member of the Fund. The Common market for Eastern and Southern Africa (COMESA) and Trinidad and Tobago also formally became members of the fund at the meeting.

Established in 1989, the CFC is an inter-governmental organisation funded by its member states and concerned with various aspects of commodity marketing and development. The Fund operates through two windows, the First Account and the Second Account. The original objective of the First Account was to provide buffer stock financing to facilitate the stabilisation of commodity prices. In view of the liberalisation of markets during the 1990s, this objective had become somewhat redundant. The objective of the Second Account is to provide financing for specific projects concerning marketing, research and other aspects of commodity development.

CFC Governors took two major decisions at the meeting in Arusha.

- In view of the virtual redundancy of the First Account, it was agreed that those members who so wished could transfer any number of their shares from the First Account to the second account. However, the transferred shares can only be used to finance projects on a loan basis.
- A loans policy clarifying the main principles on which loans for commodity marketing and development will be made by the Fund was adopted. This decision emphasised that in the application of the loans policy, "particular attention will be given to the needs of developing countries and special conditions of the least-developed countries, as well as projects located in such countries, including loan terms and guarantees, on a case-by-case basis".

In Arusha, the African Governors and Alternates of the Fund met as a caucus to review the issues before the meeting and related matters. Among the decisions taken by the African Governors was to request the OAU/AEC Secretariat to organise during 1999 a major African conference to take stock of recent trends and issues related to commodities. Following active consideration of this request within the Secretariat, it is expected that commodity issues will constitute an important part of the agenda of the meeting of African Ministers of Trade that is scheduled to be held in Algiers later this year. □



CROSS BORDER INITIATIVE EMBARKS ON INVESTMENT FACILITATION

by F.Y. Alipui*

Under the sponsorship of the European Union, the World Bank and the African Development Bank (ADB), the Cross Border Initiative (CBI) was adopted in 1992 by a number of countries in the Eastern and Southern African regions of Africa, soon after the signing of the Abuja Treaty establishing the African Economic Community (AEC) in June 1991. At that time the donor countries argued that the Initiative, through the "variable geometry" approach was to speed up the implementation of the commitments that the participating countries had undertaken in their regional economic communities (RECs). Furthermore, there was then a lot of controversy about the relevance of that approach to the economic integration process in Africa. Today the OAU/AEC considers the CBI as a fast track approach in this regard.

The fourth Meeting of the Technical Working Groups on the Cross-Border Initiative was held in Mauritius on 16-17 November, 1998. The purpose of the meeting was two-fold. It was to discuss progress made in the implementation of the CBI-supported reform agenda since the Third Ministerial Meeting held in Harare in February 1998. Secondly, it was to agree on the priority actions that could form the elements of a proposed Road Map for Investment Facilitation that the participating countries could undertake collectively and also to ensure that the former complements on-going national initiatives.

The following countries took part in the Mauritius meeting: Burundi, Comoros, Kenya, Madagascar, Malawi, Mauritius, Mozambique, Namibia, Seychelles, Swaziland, Tanzania, Uganda, Zambia and Zimbabwe. There were also representatives of the following in-

stitutions: OAU/AEC, COMESA Secretariat, COMESA Clearing House, East African Cooperation, UNECA, Finance and Investment Sector Coordination Unit (FISCU) of SADC, Indian Ocean Commission, the IMF, World Bank, European Union, African Development Bank and Imani Development Ltd. The OAU/AEC Secretariat was represented by the Head of Trade, Tourism, Customs, Monetary and Finance Division, Mr. Frederick Yao Alipui.

During the review of the status of implementation of the decisions of the third Ministerial Meeting of the CBI, which was mainly in the area of Trade Liberalization, it was noted that countries had made appreciable progress in implementing their CBI-supported reform measures. However, it was observed that in some countries the pace of implementation needed to be accelerated.

Regarding the implementation of the Tariff Reform Road Map, one noted that nine countries undertook the required studies on the basis of which they could proceed with the rest of the measures required of them. The other countries are yet to finalize their implementation review studies.

The OAU/AEC representative focused his intervention on the relevance of the deliberations to the implementation of the Treaty establishing the African Economic Community and indicated that since the OAU was currently in the process of implementing the first stage of the Abuja Treaty, it had been operating through the regional economic communities. In that regard, in the area of Trade Liberalisation, it organised the First Conference of OAU/AEC Ministers' of Trade Meeting which, inter-alia, reviewed trade liberalisation within the context of the Uruguay Round and examined to what

extent that process impinged on the trade liberalisation process of African regional economic communities.

The activities of the OAU/AEC Secretariat under the auspices of the Policy Analysis Support Unit (PASU) on Trade Liberalisation were also reported on. These involved an Inter-Secretariat Experts Workshop, and field missions to the RECs and a number of countries.

The Mauritius meeting of the Technical Working Groups then reviewed the draft Road Map for Investment Facilitation. In this regard, they pointed out some of the causes leading to Africa's inability to attract foreign direct investment. These included absence of political stability, macro-economic reform and stability/predictability, free trade and foreign exchange, and a level-playing field for all entrants. The problem of perception and poor image portrayed of Africa, as a region riddled with conflicts was underscored.

From the investors' point of view the conditions for doing business in Africa were unsatisfactory. Also, in some of the reforming countries under the CBI, the reform efforts have not been consistent and sustained enough to regain investor confidence. Furthermore, it was observed that while risk-ranking of most of the CBI countries has improved since the inception of the CBI, none of the CBI countries had achieved a sustained low risk-rating yet.

One of the main elements of the draft Road Map on Investment Facilitation under the CBI is Tax Reform which would involve the lowering of tax rates, elimination of tax holidays, improvements in assessment and collection procedures and finalization of double taxation treaties among CBI countries as

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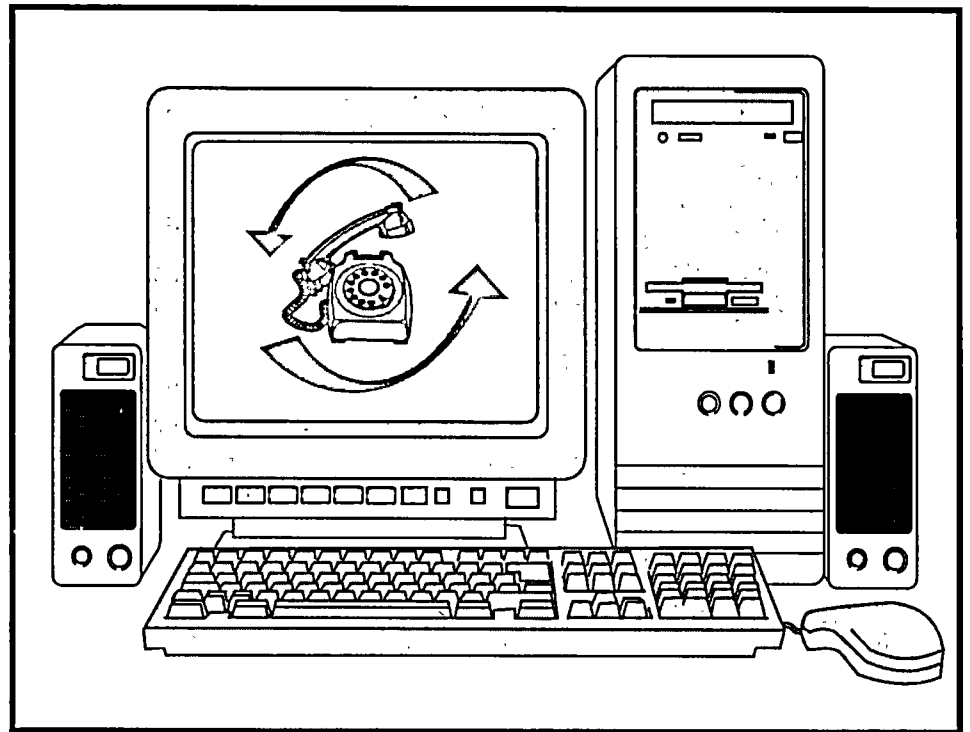


well as with traditional and expected trading partners. Another element which is Legal and Judicial Reforms will include Corporate Law, Contract Law, bankruptcy, labour law and property rights. The programme calls for judicial reforms that would ensure that laws are enforced properly. Given the inherent pressures about the adaptation of national laws in response to commitments under the Uruguay Round Agreement, the CBI participants undertook to adopt in the long term common commercial and labour laws in their region.

The Road Map acknowledges that while countries involved in the Initiative have established one-stop investment agencies, proposed institutional reforms should include the accounting, banking and legal professions. Besides, Financial Sector Development is also proposed in response to medium and long-term financing needs which must be provided by private institutions in the areas of equity and long-term credit. The need to foster the role of financial inter-mediation and expand existing stock markets with more cross-listings are emphasized. In this regard, the programme calls for the development of a regional capital market to ensure the free cross-border flows of capital and dividends and the adoption of common standards and procedures.

Investment Promotion and Improved Information dissemination in order to counteract the negative image problem of Africa are also components of the Road Map. In this connection the programme calls for the simplification and consolidation of investment codes as well as cooperation in sharing information by establishing a CBI web-site. It is proposed to examine the feasibility of establishing cross-border funds.

The Investment Road Map calls on CBI participating countries to create a new category of "Regional Enterprise" whereby a firm could be considered a regional enterprise if it was incorporated in one of the member countries regardless



Integrating Africa into the Global Market place.

of the nationality of ownership. The countries are also expected to adopt common company and branch registration laws and procedures and establish separate courts to deal with commercial disputes.

Regarding taxes on goods and services, CBI countries would be expected to initiate the introduction of WTO tariff bindings at rates not much higher than rates envisaged in the Road Map and to broaden the domestic tax base and design single-rate domestic non-cascading tax. Furthermore, the Road Map envisages the introduction of an Africa Annual Achievements Award aimed at motivating the private sector to improve their performance and participation in information-sharing. The revised text of the Road Map for Investment Facilitation will be re-submitted for adoption at the 4th Ministerial Meeting of the Cross-Border Initiative scheduled in Mauritius in April 1999.

Given the significance of Payments Facilitation in the area of Investment Facilitation and Trade Liberalisation, the Technical Working Groups spent some time to review the main findings of a

study which seeks to find a new role and orientation for the COMESA Clearing House bearing in mind the impact of economic, financial and monetary deregulation that has characterised the economies of the region. The study proposes that the COMESA Clearing House be transformed into a new institution which will provide a number of innovative financial services to be known as the "Regional Export Services Agency (RESA)". One of the instruments of RESA would be the Africa Guarantee Facility which would offer the political risk cover for trade transactions while another institution like a commercial Bank or an Export Credit Agency assumes the commercial risk; it would also increase the availability and reduce the cost of trade finance for periods of up to three years and offer export credit facilities. It would also provide the participating countries with a savings of U.S.\$7million per annum.

So also while making use of the new Information Technology of the Information Super-Highway, the Regional Swift Service Centre, part of RESA, would provide speedy and secure electronic transfer of payments without the need for outside electronic transfer of payments

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and correspondent bank confirmation outside Africa. The System would encourage the participation of smaller indigenous banks in the region. It is expected that this facility would result in a projected decline in import costs of U.S.\$5 million a year. An identical instrument would be the Fast Payments Facility System which will offer certainty and speed of payment for exported goods among the participating countries.

The initial capitalisation of the RESA is expected to be funded by 8 to 10 countries of the region. The World Bank is expected to provide a total of U.S.\$200 million in International Development Assistance (IDA) credits to governments wanting to invest in the System.

The meeting agreed to create a CBI Web-site with the address, webmaster@aadb.org. It will facilitate exchange of information among the participating countries and also make available positive and relevant information to potential investors. In order to develop the web-site the countries agreed to forward via e-mail documentation such as the technical Working Groups' meetings, Quarterly Updates of the CBI Implementation Agenda, Reports, etc. The web-site will be hosted by the African Development Fund (AfDF) of the ADB.

It is expected that with the eventual operationalisation of the above trade liberalisation and investment facilitation instruments, when the CBI-Road Map for Investment Facilitation gets launched by the CBI Ministerial Meeting envisaged for April this year in Mauritius, the basic infrastructural setting and policy environmental framework would have been or begin to be created for the acceleration of the regional economic integration process in East and Southern Africa. □

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Brief on the ECOWAS Trade Fair

The 2nd ECOWAS Trade Fair is scheduled to take place in Accra, Ghana, from the 26th February to 7th March 1999. The first was held in Dakar, Senegal in June 1995.

The objective of the ECOWAS Trade Fair is to promote as well as stimulate trade, investment and tourism among the sixteen Member States of this regional economic community which is one of the regional fairs that links up with the All-Africa Trade Fair as a continental network. It also seeks to promote intra-ECOWAS, and for that matter, the African Common Market/African Economic Community.

The recent launching of the ECOWAS travellers' cheques should also give added momentum to that objective. Furthermore protocols on the free-movement of persons, goods and services, the right of establishment for ECOWAS citizens which is in operation should spur trade and investment in the region. Thus the trade fair also provides a venue where all the actors meet every four years to trade, exchange views, review progress and deal with problems associated with economic integration. In a region where there is little or no information on traded goods and services, the trade fair provides the opportunity to identify goods and services from different parts of the community for exchange. Recent inventions and innovations will also be exhibited.

Countries also use the opportunity to sell their tourism products, advertise their countries and learn from others. In the area of investment promotion, it is expected that there would also be matchmaking between prospective foreign investors and local partners. This service will be provided by collaborating international donor organisations such as UNCTAD/ITC and UNIDO. □

Sixteenth Session of the International Trade Fair of Khartoum

The Sixteenth Session of the International Trade Fair of Khartoum will hold from 17 to 22 February 1999 in Khartoum, Republic of the Sudan. It is jointly organized by the Government of the Sudan and the Sudanese Free Zones and Markets Company.

The OAU/AEC Secretariat has accepted the offer of the organizers to participate in the Fair with the view to assist in the promotion of intra-COMESA trade and to encourage the integration of African economies into the world market as required of its Member States in their commitments in the Uruguay Round Agreement. □

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