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**ORGANISATION DE L'UNITE
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المنظمة الإفريقية للوحدة
Libreville

COUNCIL OF MINISTERS

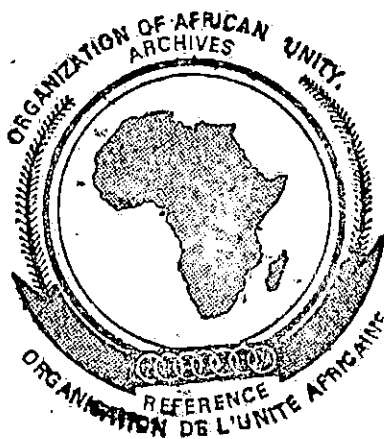
Twenty-Ninth Ordinary Session

Libreville, Gabon, 23-30 June 1977

CM/809(XXIX)

REPORT OF ADMINISTRATIVE SECRETARY GENERAL ON THE SYMPOSIUM OF THE SECOND
PAN AFRICAN TRADE FAIR ON THE DEVELOPMENT OF INTRA-AFRICAN TRADE
FOR THE ECONOMIC DEVELOPMENT OF AFRICA AND THE CREATION OF AN
AFRICAN COMMON MARKET

(Algiers, October 1976).



CMO 809

MICROFICHE

INTRODUCTION TO THE REPORT OF THE SYMPOSIUM

1. It has now become an established practise, that along with the Expositions of the Pan-African Trade Fair, a symposium on the Development of Intra African Trade should be organized.
2. During the Second Pan-African Trade Fair in Algiers, the Organization of African Unity, the Government of the Peoples' Democratic Republic of Algeria and the United Nations Economic Commission for Africa called for and organized from 4 to 7 October 1976 the Second Symposium on the "Development of intra-African Trade for the Economic Development of Africa and the Creation of an African Common Market".
3. The objective of the Algiers Symposium, attended by 30 member states of the OAU, was to analyse obstacles in the way of intra-African trade and work out in concrete terms, ways and means of promoting and developing exchange of goods and personnel on our continent.
4. The programme of action emanating from the work of the symposium covers four main areas of intra-African cooperation namely:
 - a) economic cooperation.
 - b) bilateral and multilateral commercial negotiations between African countries
 - c) industrial development of Africa and the exchange of technology
 - d) cooperation in the field of transportation and communication.

The Report of Second Symposium on the Development of Intra-African Trade for the Economic Development of Africa and the Creation of an African Common Market is attached to the present document for reference and free consultations on the different recommendations.

5. It should be noted that the Algiers Symposium established a short-term work programme and the date for its commencement. It carefully selected the international institutions responsible for its execution in close cooperation with the member States of the OAU.

The important and urgent recommendations to which the attention of the Council of Ministers should be drawn are the following:

- a) Follow-up by the OAU and the ECA of their studies on establishing an African Common Market which should be completed latest by 1980.
- b) Speeding up of studies on the creation of the African Trade and Development Organization and the establishment of this Organization before 1980.
- c) Setting up before 1980 of an African Centre for Development and Exchange of Technology.
- d) Preparation by the OAU and the ECA, in collaboration with the member States, of a Declaration on a Decade of Transportation and Telecommunications in Africa.

6. Here, the Secretariat of the OAU, thought it necessary to propose the follow up to be given to the programme of action resultant from the Second Pan African Trade Fair:

- that member States analyse and adopt this work programme,
- that member States support actively its implementation especially by cooperating and collaborating closely with the OAU and the ECA,
- that member States are informed regularly about developments with a view to giving subsequent new perspectives, orientations and directives.

COUNCIL OF MINISTERS
Twenty-Ninth Ordinary Session
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Annex

REPORT OF THE SECOND SYMPOSIUM ON THE DEVELOPMENT OF INTRA-
AFRICAN TRADE FOR THE ECONOMIC DEVELOPMENT OF AFRICA AND
THE CREATION OF AFRICAN COMMON MARKET

PART ONE: REPORT ON THE DISCUSSIONS

OPENING OF THE SYMPOSIUM

1. The Symposium was convened jointly by the Organisation of African Unity, the Government of the People's Democratic Republic of Algeria and the United Nations Economic Commission for Africa during the second All-Africa Trade Fair, in accordance with the decision taken by African Heads of State and Government, at the OAU Summit Conference in Kampala, Uganda, in June 1975.

2. The Symposium was held in Algiers, Palais des Nations, at the invitation of the Algerian Government, from 4 - 7 October, 1976. Delegations from the following countries participated: Algeria, Angola, Benin, Burundi, Cameroon, Congo, Ivory Coast, Egypt, Ethiopia, Ghana, Guinea-Bissau, Cape Verde Islands, Comoro Islands, Mauritius, Kenya, Liberia, Libya, Madagascar, Mali, Mozambique, Niger, Nigeria, Uganda, Senegal, Swaziland, Sudan, Chad, Tunisia, Zaire and Zambia.

Representatives of the following international organisations were also present:

- The African Development Bank (ADB).
- International Bank for Reconstruction and Development (IBRD).
- The East African community (EAC).
- The Economic Co-operation and Development Organisation (ECDO).
- The Organisation of Petroleum Exporting Countries (OPEC).
- The United Nations Industrial Development Organisation (UNIDO).
- The Arab Iron and Steel Union (AISU).

3. The inaugural session was chaired by the Administrative Secretary-General of the Organisation of African Unity, His Excellency William Eteki Mboumoua, whose opening speech was adopted as main working document.

4. The Algerina Minister of Trade, His Excellency Layachi Yaker, was unanimously elected Chairman for the Symposium. Captain Noah Mohamed, the Ugandan Minister of Trade and Citizen Duga Kugbe-Toro, Commissioner for Trade of Zaire were elected Vice-Chairmen; His Excellency E. Sumo Jones, Junior Minister of Trade, Industry and Transport of Liberia was elected General Rapporteur. Together they formed the Bureau of the Symposium.

5. A representative of the Executive Secretariat of the Economic Commission for Africa took the floor. He apologised for the absence from the Symposium of Mr. Adebayo Adedeji, the Executive Secretary, for reasons beyond his control.

ADOPTION OF THE AGENDA

6. A provisional agenda (E/CN/14/ATC/30) was distributed together with a proposed programme of work (E/CN/14/ATC/34) and were discussed by the Assembly. The two documents relating to the deliberations of the two Committees were unanimously adopted.

7. The Ugandan Minister of Trade, the Zairian Commissioner for Trade and the Junior Minister of Trade, Industry and Transport of Liberia expressed their thanks for their election as Vice-Chairmen and General Rapporteur.

DELIBERATIONS OF THE COMMITTEES

8. Each Committee set up a Drafting Sub-Committee to draw up a programme of action which has been included in Part II of this report.

9. Committee "A", Chaired by Citizen Duga Kugbe-Toro, Commissioner for Trade of Zaire, dealt with concrete ways and means of intensifying intra-African trade and establishing an African Common Market under the following heads:

- i) Economic co-operation between African countries and expansion of intra-African trade for the creation of an African Common Market;
- ii) New ideas and techniques for multi-lateral trade negotiations between African countries;
- iii) The role of transportation in intra-African trade.

10. Committee "B", chaired by Captain Noah Mohamed, Ugandan Minister of Trade dealt with aspects of economic growth and development in Africa under the following heads:

- i) Industrial autonomy in Africa and possible extra-African assistance;
- ii) Findings of the 1st Congress of Third World Economists (Algiers, February 1976);
- iii) Afro-Arab Co-operation.

11. Committee "B" also heard:

- a) A report by Mr. A. Benachenhou, Executive Secretary of the Association of Third World

Economists held in Algiers in February 1976, with special reference to the promotion of intra-African trade;

- b) A brief introductory statement by the OAU on Afro-Arab cooperation.

CLOSING OF THE SYMPOSIUM

12. The Chairman stressed the importance of the work done during the Symposium and drew attention to the fact that the meeting had succeeded in identifying practically all the African Organisations responsible for the implementation of the adopted Programme of Action and for the drawing up a progress chart.

13. The Symposium expressed the hope that the proposed Programme of Action would derive benefit from the Declaration and the Programme of Action on Afro-Arab Co-operation.

14. The Heads of the delegations from Zambia, Zaire, the Comoro Islands, Cape Verde Islands, Uganda, Liberia, Ethiopia, Ivory Coast as well as the OAU representative gave a vote of thanks to the Government of the People's Democratic Republic of Algeria for the success of the Symposium.

15. In his closing remarks, the Chairman recalled the gravity of the economic and political problems facing the African region and pointed out that the implementation of the Programme of Action could contribute a great deal towards a solution of these problems.



PART TWO: PROGRAMME OF ACTION

The Symposium considered it highly important for African States to tackle the problem of economic unity of the African region not in terms of short-term profitability or of immediate financial interests but rather in terms of collective development, independence and self-determination on a sub-regional and regional scale, bearing in mind that this objective could often demand of the majority of participating states, short-term financial sacrifices.

In this context, the Symposium made recommendations on concrete ways and means of intensifying intra-African trade and establishing an African Common Market.

These recommendations refer particularly to economic cooperation and multi-lateral trade negotiations, industrial development, the transfer of technology, transport and telecommunications.

A. ECONOMIC CO-OPERATION BETWEEN AFRICAN STATES

The Symposium recommended:

1. That the OAU and the ECA pursue the implementation of their study programmes with a view to establishing an African Common Market;
2. That these studies provide for the establishment of the African Common Market on a progressive basis and in accordance with phases to be defined;
3. That these studies pay particular attention to the rules of origin in order to ensure that the Common Market finds effective expression in the utilisation of local

resources the exchange and transfer of technology as a means of developing national productivity, particularly in the case of the less developed countries, and the acceleration of the movement towards the growth of economic self-reliance and the diversification of African economies;

4. That the study programme for the establishment of an African Common Market be completed in 1980 at the latest;
5. That, owing to the fundamental importance of the question of establishing a Common Market for the economic development of the countries of the region on united and optional basis, the Heads of State and Government of the OAU should directly and periodically be furnished with reports on the progress of this study programme to enable them to give the necessary directives;
6. That, pending the establishment of an African Common Market, every effort be made to intensify economic co-operation between African countries, particularly by eliminating triangular trade;
7. That the advantages that states derive from economic co-operation should not be assessed merely from the standpoint of production or of the number of industries established but rather in terms of the extent to which such co-operation contributes towards the promotion of self-reliance and the establishment among members, either individually or collectively, of the constituent parts of a self-reliant "motive power" of economic growth and diversification; in other words, that these advantages be seen in terms of the magnitude of the additional facilities and possibilities that the countries

could not have had without this co-operation;

8. That economic co-operation in Africa be extended to cover policies and institutions that promote local competence, especially in the area of high-level and middle-level staff training and the mobilisation of local financial resources; that this co-operation be brought to bear also on the choice, adaptation, establishment, the development and wide application of technologies as well as the exploration of natural resources for their common exploitation by countries to the advantage of national and multinational African industries and for the establishment of basic industries and in particular the production of capital goods for the multinational market;
9. That the OAU and the ECA submit two-yearly reports to their respective ministerial conferences on progress made in the area of inter-African economic co-operation and that a synthetic report on this be submitted to the next Symposium;
10. That steps be taken to establish direct banking relations among African countries, on bilateral as well as multi-lateral basis in order to stimulate the development of inter-African trade. These steps should include, in particular, the setting up of payments unions at the sub-regional and regional level on the basis of appropriate studies to be submitted by the OAU and the ECA to groups of experts to be constituted for this purpose by 1978, at the latest;

11. That, on the initiative of OAU and ECA and in collaboration with the appropriate bodies, African states take steps to standardise the procedure for the establishment of letters of credit applicable to inter-African trade;
12. That steps be taken under the aegis of the OAU Conference of African Ministers of Industry, and the ECA with the view to streamlining existing light industries. These steps should make it possible to reduce under-production in the region and encourage inter-state specialisation. The two organisations concerned should submit a report on this to the next Symposium;
13. That an African trade directory be prepared by the OAU and the ECA before the end of 1978 with the assistance of the appropriate organisations, so as to inform African economists and especially importers and exporters about products available in the region;
14. That a trade-promotion campaign on the theme: "Buy African and Build Africa" be launched by the OAU before 1980 on the basis of a study which would estimate the cost and define the modalities of the campaign in collaboration with the African Association of Trade Promotion Organisations and ECA's African Trade Centre;
15. That every effort be made by ECA's African Trade Centre to up-date regularly and disseminate more widely, statistical information and data on inter-African trade;
16. That permanent training institutes for foreign trade whose activities would be co-ordinated by the ECA's African Trade Centre be established at the sub-regional

and regional levels to avoid the non-permanent and discontinuous training institutions whose future is uncertain; that the ECA carry out a project study on the establishment of these institutes and submit a report on its findings to the next African Trade Ministers Conference;

17. That action for the harmonisation of African Investment codes should be undertaken under the auspices of the ECA and the OAU, and that these organisations should present a progress report to the next Symposium;
18. That the African countries should lend active support to the Association of African Organisations for the Promotion of Trade, to make it operational as soon as possible. To this end, it is essential that all African countries should regularly honour their financial obligations and take part in all the meetings of the Association, starting with the one to be held in Tangiers from 27 - 29 October, 1976.

MULTI-NATIONAL TRADE NEGOTIATIONS AMONG AFRICAN COUNTRIES

19. The Symposium recommends:
 - i) That the Conference of African Ministers convene a meeting of the Intergovernmental Committee of Experts on Trade and Development, the creation of which was provided for during the fourth meeting of African Ministers of Trade, to prepare the launching of multi-lateral trade negotiations among African countries, by the above mentioned conference, at the beginning of 1978, on the basis of studies already made on the subject, by the ECA. This should take the form of a ministerial declaration defining

the framework, the objectives and the guiding principles of these negotiations.

- ii) The acceleration of studies on the creation of the African Organisation for Trade and Development, AOTD, which was the subject of a resolution adopted by the Fourth Conference of African Ministers of Trade. Such an organisation could provide technical support for these negotiations. This organisation should be established before 1980.
- iii) The presentation of a report by the OAU and the ECA on the results of these negotiations to the Third Symposium.

AFRICAN INDUSTRIAL DEVELOPMENT AND TRANSFER OF TECHNOLOGY

20. Considering the main objectives of the Lima Declaration and Plan of Action which aim at raising African industrial production in the world from its present 0.6% to 2.0% by the year 2,000, it is necessary:

- to evaluate the ways and means leading to an evaluation of the existing and potential national resources of African countries and their recuperation by African states;
- to accelerate and diversify African industrial development, which is a dynamic and effective factor in the realisation of a rapid rate of global development;
- to restructure economic relations with the rest of the international community in the spirit of the

New International Economic Order and to intensify and diversify regional and sub-regional trade exchange as an important aspect of this restructuration.

The Symposium recommends:

- a) that each African country elaborate its own development policy and strategy, taking into consideration the conclusion of studies to be realized, within the framework of the Lima Declaration objectives;
- b) that an inventory of the actual and potential resources of Africa be drawn up;
- c) that industrial co-operation among African countries should be intensified on the sub-regional levels by:
 - i) co-operation for the formulation, study and completion of inventories and sub-regional and regional; development projects;
 - ii) industrial promotion;
 - iii) co-operation in the administration of public enterprises;
 - iv) the creation of multi-national African enterprises;
- d) that industrial specialisation be established on the sub-regional and regional levels by long-term agreements;

- e) that transfer of technology among African countries, based on experience and know-how acquired in numerous sectors be intensified by:
 - i) formulation of a code of conduct with regard to the transfer of technology;
 - ii) the establishment of sub-regional and regional national centres for the transfer and development of technology;
 - iii) the creation of regional technology centres in specific sectors;
 - iv) the establishment of banks with technological data;
- f) that a consultation system be established among African countries, chiefly through the convocation of working groups of experts in specific sectors of production, to increase their participation in global industrial development;
- g) that an evaluation of the needs be made as well as an intensification of the formation of the man power necessary for the growth and development of all sectors of the African economy;
- h) that ways and means be sought to adopt an appropriate policy for the control and regulation of the activities of trans-national societies and the suppression of restrictive commercial practises;

- i) that a common African policy on the national, sub-regional and regional levels be established for the regulation of foreign private investment;
- j) that a national commercial structure be set up, allowing for a control of trade exportation of national, sub-regional and regional production, as well as internal circuits for the promotion of trade.

21. The Symposium also recommended that:

- The extraordinary session of the OAU Council of Ministers to be held in Kinshasa in December 1976, should decide which organisations would be entrusted with the implementation of recommendations formulated above and would draw up the schedule for their implementation.

TRANSPORT AND TELECOMMUNICATIONS

- a) The elaboration of a declaration on a Decade of Transport and Telecommunications in Africa;
- b) the adoption of a strategy and a comprehensive plan for the improvement of maritime, air, road and railway transport systems;
- c) the creation before the end of 1977 of a joint OAU-ECA transport commission to avoid fragmentation in the planning and development of all transport systems and to strengthen co-ordination at sub-regional and regional levels between African countries;

- d) the creation and development in Africa of a multilateral maritime and air transport services particularly at the sub-regional level;
- e) joint action to speed up convening the Conference entrusted with examining the ratification and the enforcement of the convention on the code of conduct for maritime conferences;
- f) the concerted action to secure financial assistance from multinational or regional financial institutions for multinational projects on road, rail, maritime and air links between African countries;
- g) a policy and concerted action by African countries to arrange with international financial institutions to pay every necessary attention in particular to the social development criteria and economic integration when it comes to financing their multinational projects on transport development;
- h) the improvement and strengthening of existing transport services and institutional arrangements relative to transport systems in Africa especially through an emphasis on:
 - i) the streamlining of road, maritime and air transport systems as well as the joint exploitation of cargoes;
 - ii) a joint action aimed at adopting preferential freight rates for the importation and exportation of African products coming from or to African countries;
 - iii) joint studies on the simplification of documents to be presented at border check points;

- iv) the elaboration and enforcement by latest 1980 of international transport conventions at the sub-regional and regional level with a view to facilitating trade between landlocked countries and countries having access to the sea;
- i) the study on the identification of obstacles and the working out of appropriate measures to be completed before the end of 1978 in view of the incorporation of African airlines by AFCAC with the assistance of the OAU and ECA;
- j) the creation of a multinational African airline to fly inter-African routes side by side with existing airlines so as to facilitate the incorporation of these companies by stages. To this end, the AFCAC, OAU and ECA are requested to do everything possible so that studies on the development of African transport systems at the national, sub-regional and regional levels in an integrated manner;
- k) the co-operation and specialisation in the field of construction, maintenance and repair of ships, boats and rolling stock at the sub-regional and regional levels as well as in the field of training.

For this reason it is requested that a report on the progress of inter-African co-operation in this field be presented by the Secretariats of the OAU and the ECA before the end of 1978.

- l) the study by the OAU and ECA on the ways and means of creating an African Transit Association before the end of 1977 - a step towards the creation, latest in 1978,

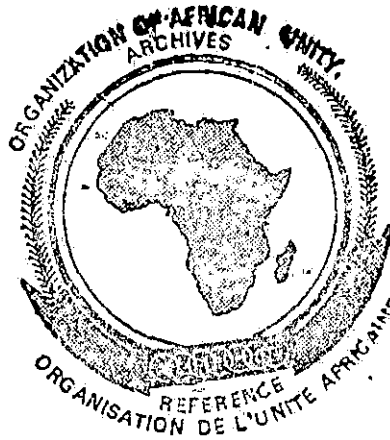
- of a multinational African Transit Association;
- m) the improvement of transport systems and infrastructure to promote trade between insular African countries and the rest of the region;
 - n) the creation before the end of 1980 of national, sub-regional and eventually regional councils of the entire transportation systems used by African countries;
 - o) pooling together of financial and technical resources for the purchase, construction and maintenance of ships, air-ships and rolling stock;
 - p) to endeavour to elaborate and execute trans-African road construction projects. For this reason, it is recommended that working groups and co-ordination committees composed of transport, planning and economic co-operation experts working on road links between African countries be created for a better co-ordination of transport systems at the regional level;
 - q) the creation of multi-national societies for the joint use of the different internal navigable water ways in Africa;

For this reason, studies undertaken in the field of transport in implementation of the Programme of Action established by the non-aligned and other developing countries in Georgetown (Guyana) should be completed.

- r) The exchange of information and experience in the field of transport between African countries;

s) the total integration of telecommunication networks in Africa and the adoption of a rational telecommunications system at sub-regional and regional levels. The Symposium consequently recommended that the work programme should be strengthened and the execution of the PANAFTEL project sped up.

23. The Symposium expects that whenever a specialised organisation is not specifically designated to supervise the implementation of the above recommendations, the appropriate authorities of the OAU and the ECA should be entrusted with this duty.



1977-06

Report of the Administrative Secretary General on the Symposium of the Second Pan African Trade Fair on the Development of Intra-African Trade for the Economic Development of Africa and the Creation of an African Common Market

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