

COMMON MARKET FOR EASTERN AND SOUTHERN AFRICA



THE COMESA TRADE REGIME

by

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COMESA Membership

- **Angola**
- **Burundi**
- **Comoros**
- **Congo, DR**
- **Djibouti**
- **Egypt**
- **Eritrea**
- **Ethiopia**
- **Kenya**
- **Madagascar**
- **Malawi**
- **Mauritius**
- **Rwanda**
- **Seychelles**
- **Sudan**
- **Swaziland**
- **Uganda**
- **Zambia**
- **Zimbabwe**

COMESA AT A GLANCE

▪Total Area	12.8million sq. km
▪Population	380 million (2002 est.)
▪Membership	19 countries
▪GDP at 1990 prices	\$285 billion (2003 est.)
▪Total Exports	\$ 34 billion (2004 est.)
▪Total Imports	\$ 46 billion (2004 est.)
▪Intra-COMESA trade	\$ 5.4 billion (2004 est.)

COMESA TRADE LIBERALISATION PROGRAMMES

The main objective of the trade liberalisation programme is to create a single economic space in which there is free movement of goods, services, capital & labour. Instruments used include:

- ✉ Tariff Reduction
- ✉ Removal of Non-Tariff Barriers to Trade
- ✉ Rules of Origin

COMESA FREE TRADE REGIME

PRINCIPLE: NON-DISCRIMINATION

(I) Most Favoured Nation (MFN)

Same treatment of like products from all member countries.

(II) National Treatment

Same treatment of foreign like product as domestic product

COMESA FREE TRADE AREA (FTA)

Tariff Reduction Programme:

Commenced on 1st July, 1984

Original Target Date for FTA September, 1992

Target Date for FTA postponed to October, 2000

FTA achieved on 31 October, 2000 with nine members

Two other members joined FTA in January, 2004

Eight countries still to complete tariff reduction process

COMESA Members in the FTA

- **The COMESA FTA was launched on 31st October 2000.**
- **COMESA Member States participating in the FTA are:**

**Burundi
Djibouti
Egypt
Kenya
Madagascar
Malawi**

**Mauritius
Rwanda
Sudan
Zambia
Zimbabwe**

ELEMENTS OF COMESA FTA

- Zero tariffs on goods from COMESA Countries.
- Goods from non-COMESA dutiable at full national tariff rates.
- No NTBs on COMESA goods.
- Application of COMESA Rules of Origin.
- Reciprocity

PRODUCT COVERAGE



All Products

Whether:

- **raw materials,**
- **capital goods,**
- **Intermediate goods, or**
- **finished products,**

So long the goods meet the COMESA Rules of Origin

Provisions of COMESA Rules of Origin:

Direct consignment from exporter to importer and:

- **35% local value added, ex-factory cost; or**
- **25% local value added, ex-factory cost for goods of particular economic importance; or**
- **change in tariff classification; or**
- **60% cif value of imported materials; or**
- **Wholly produced goods.**

(Cumulation allowed)

Trade Facilitation:

- COMESA CD
- COMESA Customs Bond Guarantee
- ASYCUDA/EUROTRACE
- Harmonised System Code
- Common Tariff Nomenclature
- Common Statistical Rules
- Yellow Card Motor Vehicle Insurance
- Harmonised Road Transit Charges
- Carriers License
- Overload Controls
- Maximum Vehicle Dimensions
- ACIS for Cargo tracking

ESTABLISHMENT OF CUSTOMS UNION

Discussions on Structure of Common External Tariff (CET) for Customs Union

Council Decision:

Harmonisation of external tariffs as transitional strategy to Customs Union as follows:

<u>Type of Good</u>	<u>Harmonisation Range</u>	<u>CET Target</u>
Raw Materials	0 to 5%	0%
Capital Goods	0 to 5%	0%
Intermediate Products	10 to 15%	N/A
Finished Goods	25 TO 30%	N/A

THANK YOU FOR YOUR ATTENTION



THE END

Internet Site: <http://www.comesa.int>