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ترجمة الصفحات من (70-120) من كتاب التكامل الاقتصادي الاقليمي في أفريقيا- السوق المشتركة لدول شرق و جنوب أفريقيا "كوميسا")

لمؤلفه: عادل أحمد حسن

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بحث تكميلي لنيل درجة الماجستير في الترجمة العامة (انجليزي-عربي)

Translated by : Awad Alkreem Abdalla Adam Abdalla **supervised by: Dr. Mohammed Alameen Alshingity**

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Dedication:

This thesis is dedicated to my father, my mother and my all my family.

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Arab Maghreb Union (AMU):

Arab Maghreb union, or the great Maghreb is a region that forms the western wing of the Arab world, it comprises five countries which are Algeria, Morocco, Tunisia, Libya, and Mauritania. These countries formed a regional union (17 February 1989) through signing the UMA establishment treaty- Morocco is located in the north of Africa stretching along the Mediterranean Sea coast to the Atlantic Ocean, with approximate area of (5,782,140) Km2 and it takes up (42%) of the UMA area. The coastal strip for the UMA is about (6,505) Km2, of the coast of the entire Arab world.

The population of the AMU is approximately around 80 million people- according to 2000 estimation- which represents 27% of the total population of the Arab world, 78% of that population lives in Morocco and Algeria, this proportion is equally divided between the two countries.

The agricultural lands form 3.7% of the area of the union countries' area, 43% of these lands lay in Morocco. The GDP of the UMA countries amounts to about 389.6 billion dollars, which is approximately 32% of the total GDP of the Arab world. The GDP of Algeria is 43% of the total GDP of the union; however, the GDP of Mauritania does not exceed 1.3%. The GDP per capita in the AMU countries reaches 4,865 US dollars, but it differs from one country to another, the individuals share amounts to (8,900) in Libya and on the other hand it does not exceed 2000 in Mauritania.

The population growth rate of the UMA countries is (1.7%), the highest rate is in Mauritania (2.93%), and the lowest one is in Tunisia (1.15) and considered as the lowest population growth rate in the Arab world.

The Administrative Corporation for the AMU:

1-Presidencial council:

It includes presidents of all member states, it is the highest institution in the union, and its presidency shifts by annual base among the presidents of member states. The council holds regular sessions every year, with the possibility of holding exceptional sessions whenever necessary. It is the only corporation that has the authority to make decisions which are approved by the consensus of all members.

2-Follow up committee:

It comprises the members appointed by their countries' cabinet to take care of the union's affairs integrally with the other corporations, and coordinate with them especially the general secretariat and specialized ministerial committees to avoid any contradictions. Follow up committee is considered to be the institution responsible for the implementation of the union's decisions, and the system to activate the unitary work. It holds regular meetings with the general secretariat to evaluate the current progress, determines the barriers and suggests the appropriate solutions.

3-The Council of Foreign Ministers:

It is formed of the foreign ministers of the entire union countries, it makes the preparations for supremacy council sessions, reviews the suggestions made by the follow up committee and the specialized ministerial committees, it files recommendations about these suggestions to the supremacy council, it coordinates policies and stances in the regional and international organizations and reviews all matters entrusted to it by the supremacy council. The council of the foreign ministers holds regular sessions, as it may also hold some exceptional ones upon the request of the supremacy, or the request of the members, meetings will not be legal unless all members attend them.

4-Specialized ministerial committees:

A-Food Security Committee:

It concentrates on agricultural sector, animal resources, water and forests, sea fishing, foodstuff trade, veterinary and agricultural research, environment and agricultural support institution.

B-Financial and Economic Committee:

It focuses on planning, power, mineral, commerce, industry, tourism, finance, customs, insurance, banks, funding investment, services and traditional industrial fields.

C-Basic infrastructure committee:

It concentrates on preparation sectors, public works, housing and construction, transform and transportation, post and irrigation.

D-Human resources committee:

It concentrates on education, culture, media, configuration, scholarly inquiry, social affairs, providing jobs, sport, youth, health, justice, residency and mobility of people and Moroccan community affairs.

The Corporation of the Union:

1-General secretariat:

It supervises organizational aspects and watches over public affairs management. It is based in Rabat, the capital of Morocco.

2-The Council of Consultation:

It is formed from thirty members taken from each member country, and they are chosen by the parliamentary bodies of their countries or according to the internal systems. It holds regular annually sessions, and exceptional ones at the request of the supremacy council. The council of consultation gives opinions on the projects and decisions entrusted to it by the supremacy council. It may also file recommendations to reinforce the union’s performance and to achieve the union’s goals. It is located in Algeria.

3-The Judiciary Authority:

It is formed from two judges of each country, appointed by their own countries for a duration of three years which is renewed biannually. It is concerned in dealing with disputes concerning interpretations and applications of the treaties and the signed agreements entrusted to it by the union or any one of the litigants, within the framework of the union. Provisions of the judiciary shall be final and obligatory. It provides advisory opinions with respect to the legal cases brought by the supremacy council. It is located in Nouakchott in Mauritania.

4-Maghreb Academy of Science:

It aims at building a framework for collaboration between scientific research and post graduate educational institutions in the union countries and cooperates with similar Arabian and foreign institutions. It also aims at applying an intensive technological and scientific research policy on the common development aspects among the union countries taking in consideration the available means and abilities. It aims at enabling researchers in the union to take part in the development of science and assimilation and employment of technology effectively in scientific and technological circles, as well. It finally aims at limiting Maghreb brain drain to foreign countries, and provides a scientific environment that allows the integration of specialists in Maghreb Arab countries and researchers of Maghreb who live abroad. It is located in Tripoli.

5-Magreb University:

The university consists of Maghreb university units which are distributed in the entire UMA countries according to the requirements of their mission and the availability of potentials of each one. Maghreb University aims at providing support to students and researchers in the fields of priority that is determined by university board of directors. It is located in Tripoli, Libya.

6-Maghreb Bank for Investment and Foreign Trade:

It was founded on 10 March 1991, it aims at building a coherent and integrated economy by preparing, establishing and funding industrial and agricultural projects of mutual interest or any other projects in the countries of Maghreb, and also by encouraging the flow of capital to be invested in financially promising projects with high financial gains, and by developing commercial exchanges and current payments to these exchanges. It is located in Tunisia.

The Similarity of Geographical Features in Arab Maghreb:

The great Maghreb lays in North Africa, between latitudes 15° and 37° north, and latitudes 17° and 25° east; it is a geographical region that includes five countries (Libya, Tunisia, Algeria, Mauritania, and Morocco). The area of the Great Maghreb is about 6 million Km^2. It is bordered by the Mediterranean Sea in the north, Egypt and Sudan in the east and the Atlantic Ocean in the west.

Topographical features in the countries of Arab Maghreb include different features such as plains, mountains, plateaus and deserts; the region is also exposed to climatologic currents blowing from the Atlantic Ocean, the Sahara and the Arctic.

There are five different climatologic fields in the Arab Maghreb:

1-The Mediterranean Climate:

It is found in north of Algeria, Tunisia and Morocco which overlooks at the Mediterranean Sea (rural area), West Morocco that overlooks at the Atlantic Ocean, and the green mountain in Libya.

2-Semi-Arid Climate:

It is found in the interior part of Morocco, Algeria and Tunisia.

3-Extremely Continental Climate:

It exists in the top of the mountains in Morocco and Algeria (Atlas and Rif mountains).

4-Arid Dessert Climate:

The Moroccan desert in South and Southwestern of Morocco, The Algerian desert in the middle, the southern and the Eastern of the country, South of Tunisia, most of Libya's area and most of Mauritania's.

5-Sub Tropical Climate:

It is found in the far South of Mauritania along the Senegal River.
The Arab Maghreb can topographically be divided into two different geographical areas:

A. Northern region which includes the most important plains, it also undergoes a Mediterranean climate (dry and hot in summer, wet and cold in winter). The region is pretty populous as well.
B. Southern region, which takes up the bigger area and undergoes arid desert consequently explains the scarcity of the population in this area, as they do not exceed 5 people a km^2.

Population varies in the Arab Maghreb countries, Algeria is considered the most populous country in the region (36 million people according to 2010 statistics), Morocco (32 million people according to 2010 statistics), Tunisia (12 million people according to 2010 statistics) and finally Mauritania is 4 million people according to 2010 statistics.

The Economy of Arab Maghreb Countries:

Natural situations and geological structures play an essential role in the distribution of the economic importance in the region countries, the importance of agriculture, tourism, and phosphate increase in Morocco and Tunisia. On the other hand petroleum is considered the most important resource in Mauritania. The contrast in resources allows the possibility of collaboration and economic integration among the five countries.
The UMA, in the first place, exports oil and natural gas then phosphate, row iron, fish, dates, textiles and vegetable oil. In exchange it imports instruments, devices and chemicals etc.
France is almost the first trade associate for the UMA, followed by Germany, Italy and Spain. Countries of the union export (47.53) billion dollars, which represents (17.8%) of the total Arab world exports, Algeria takes the first place with (41%) of the total union exports.

The union imports are valued as (37.71) billion dollars, which is approximately (22%) of the total Arab world imports. In addition to mechanical industries such as; engines, coaches, trucks, tractors and agricultural machines.

Algeria:

It is one of the biggest oil and gas producers in the world. In 2009 it was ranked $12^{th}$and 7^{th} in oil and gas production in the world respectively, and the first in natural liquid gas exportation. Algeria almost has a reserve of (25,000) billion m^3 of natural gas, it produces (1,45) million barrels of oil a day, and (152) billion m^3 of natural gas every year, which is (234) million tons of gas, oil and its derivatives every year.

In the past the reserve was estimated to last for a duration of 40 years, but new studies have showed that, it could last for a hundred years, and more if new fields are to be discovered. Finally, in (February 2010) the first natural gas discovery was discovered in the north of Al-rahwya area in Tayart state, which is located 300km west of Algeria (the capital). Algeria also has the second largest reserve of the slate stone gas, in the world right after the USA, the slate stone gas is known as the natural gas, which is yet not exploited by Algeria. Algeria's economy basically depends on oil and gas exportation, petrochemical industries, and foreign tourism, which forms 70% of the exports.

Agriculture basically depends on planting citrus, palm, beans, and olive. Algeria has natural resources as well, such as iron which is produced from Awanza mine, Bukhdra mine which produces (3.645) billion tons and Gebailat area in the south, which contains one of the biggest non-invested irons field in the world. Algeria also contains coal, uranium, gold (in Al-hagar Mountain), zinc, copper, mercury, and it also produces marble.

Morocco: Morocco owns (70%) of the world reserve of phosphate. The economy of morocco also depends on foreign tourism and exportation of citrus, potato, vegetable, fish and textiles to Europe and   US.

Tunisia:

Economy of Tunisia depends on tourism and industry such as the handling in garment industry for the most prominent European commercial brands, in addition to the mechanical industries, such as spare parts (most notably spare parts for Mercedes) and other brands and spare parts for Airbus planes.

The most important agricultural export of Tunisia is olive oil, as Tunisia is the third exporter in the world of olive oil after Spain and Italy. Then comes date as the second agricultural export.

The economic structure of Tunisian economy is a bit similar to Morocco's, especially the tourism. However, the Tunisian economy depends on agriculture. Tunisian economy grows faster and it is regularly ranked among the most three competitive economies in both Africa and the Arab world.

Libya:

It is one of the biggest oil producers in the world, as it was ranked the 8th in the world in 2000. Libya's economy basically depends on oil, besides chemical industries. In 2000 when sanctions had been lifted, Libya started to witness an improvement in real estates, and commercial investment, tourism sector has a special growth and attention particularly paid to historical towns, desert tourism and southern oasis.

This Figure Shows the Arab Maghreb Countries Economic Resources					
Mauritania	Libya	Tunisia	Morocco	Algeria	The economic resource
__________	0.130	1,600	3,800	4,500	Wheat(million) tons
__________	70,09	3,71	0.02	44	Oil (million) ton
__________	3,10	1,75	0.04	152	Natural gas (billion)

					m^2
__________	73.420	7,120	0.628	142,880	Total production of power
__________	______	8	21	5	Phosphate million ton
__________	______	______	______	600	Gold kg
10,400	1,500	0.1182	0.006	3,645	iron million tons

The vast majority of populations in the Arab Maghreb are Sunni Muslims on the doctrine of Imam Malik, which is considered as one of the most important reasons that strengthen the bonds between these countries, as there is not any contrast in the religious reference. Islamic culture is the main culture in the Arab Maghreb because the majority of population are Muslims, and they represent more than (97%) of the population in the Union's countries.

Arabic language, with different dialects[1] , is the national and the formal language of the entire Arab Maghreb countries.

French language – nevertheless it is not the formal language in the four countries of the great Maghreb- occupies an important place in these countries, and it is used in different fields such as; teaching scientific subjects in post graduate education, media, economic sectors, and it is sometimes used by official representatives of these countries in international events. As for the other languages English language has recently started to take an important place in the economic life in the Arab Maghreb in addition to Spanish in the north of Arab Maghreb, and Italian language in Libya and northeast of Tunisia.

[1] Amazigh language is the language of Amazigh with more than a dialect in the grat maghreb specially morocco.

Attempts of the Regional Economic Integration in The East of Africa:

The Common Market for Eastern African Countries:

African countries that speak English language as a first language established the common market for east of Africa, which includes Kenya, Uganda and Tanzania. The monetary collaboration between these countries has succeeded with the same degree of success of the monetary collaboration between the East African countries. The Common Group of East Africa developed to be the Economic Group of East Africa in 1967.

Attempts of economic integration among the East African countries began during the colonialism period. The inception was to establish the common market, the monetary union and the financial integration, in addition to the common services such as: transportation, communication, administration, education and researches. All these mechanisms had successfully worked out until the departure of the colonist declaring the independence of these countries.

As the three countries had become independent, all these efforts and arrangements started to have different aspects according to the estimation of each country of profits and benefits they get from this integration, because the colonialist interest of these arrangements was serving companies that have been established long time ago, so these companies knew exactly what they wanted as they were serving one specific purpose, which was the interest of the colonist in the colonies.

It was pretty obvious after the independence that these countries still have disputes with respect to the stances, for instance Tunisia attempted under a charismatic African leadership to affect the African development pattern through the principle of (O, People) (ya jamaa) to be the basis for the African socialism as an important pillar for advancement , while Kenya depended on the principle of freedom or (Uhuru) as a basis for political, social and economic liberalization from colonialism[2], as for Uganda, it preferred the traditional pattern so they left the institutions the colonist left behind as they are , until they developed them according to the African trends . The area of the three East African countries in the Common Market is (688,000) mile^2, which is bigger than the area of both the European Economic Group and the British islands, the trade and economy were controlled by the British companies and some of the Asian minorities during colonialism, and continued for a while after the independence.

The effectiveness of the common market of the East African countries depends on the transportation facility which integrally links them, the transportation system among the three countries facilitates transforming goods between the countries fast, effectively and cheaply. Goods transfer basically depends on the rail way.[3]

The take off point for the rail way is mops (the main part of the market) to Kenya, Uganda and then to the interior regions of it, there is a rail road from Dar-esalam port in Tunisia to the inside of the country, and there is another line from agricultural production areas in Tunisia to maps.

Roads have been paved to link Tanzania and Zambia which makes possible for Zambia to join the common market, or even better and broader arrangements in the future, such as (COMESA). there are also main and branch roads that link production areas, areas with a high population density, urban areas and the stations on the railway line. This line served primary products exportation from the common market countries to Europe (England), in addition to the substance economy service in the common market area and its surplus among the different towns and villages in the Common Market area. Therefore, the regional economic integration basis between the towns , the villages and even the countries of the Common Market , was a firm institution established upon economic principle long time ago despite the difference of the (GDP)growth rates , the economic growth

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[2]Nyerair J, “Ujammaa” the element of African socialism , presence africanie , wo.45 , paris (1963).

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rate in the three countries of the common market , and the commercial exchange rates between these countries[4].

How did all these factors influence the success of the market? This is open for discussion.

The economies of the Common Market of the East African countries represent a spitting image of the low income areas, economies or the countries that produce raw materials.

Agriculture is the leading sector considering its participation in the GDP, then productive industries and finally comes trade along with other economic activities[5].

As usual for colonists, Agriculture for big purposes was a monopoly for European individuals and companies, while domestic and retail trade were controlled by the Asian minority. Industries were represented in food production especially sugar, coffee, and wheat products, cigarette, beer and mineral products. Kenya was the biggest producer for these industrial products as it produced (60%) of the total industrial production in the region, while Uganda was the least producer for the products mentioned above, and Tanzania was the smallest manufacturer in the region. The common market area basically depended on external trade, therefor foreign companies controlled prices which lowered the prices of the main products and affected the GDP and the balance of payments.

Exportation of these crops, agricultural products and some other products was to UK, Germany (the Western Germany) and the US. Cotton was being exported to Hong Kong, India, China and Japan.

Imports were surely represented in petroleum as none of the countries in the Common Market produces it from its own lands; they also imported fancy cloths, machines, industrial instruments and cars. The region of the common market

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[4] Ndegwa , p., “ the common market and development in east Africa “ east African publishing house , Nairobi . (PP.110.111),(1965)

[5] Robson, OP.C.T at pages (100-101)

imports half of its needs from the UK, Germany (western Germany) and the USA [6]. All these mechanisms worked very well for long time during the colonialist governance, and were also generally acceptable after the independence of the East African countries.

Benefits and Costs of the Common Market of the East African Countries:

The economic principle that deals with costs and benefits can be used to evaluate the performance of the economic integration mechanism in East Africa, so it can be said that the effect of the common market for the East African countries is enclosed in the flowing:

1-The market enabled citizens in the three countries to trade with each other, which increased the national income for each member country.

2-The market encouraged the establishment of productive industries in East Africa, because it was not possible for the most of industries to be established to serve small local markets, while it could make a very successful market, if it served a bigger region.

3-It contributed to maintain a high growth rate for the three East African countries, in addition to increasing the GDP.

4-The problem was that, the growth rate, and the GDP increase showed inequality for the three countries. While these rates increased in Kenya, they decreased in Uganda, therefor the benefits and their development served the interest of Kenya. Uganda and Tanzania did not lose a lot but they did not benefit from the common market of the East African countries.

This fourth and last reason might be the case of failure of the economic integration in East Africa. Establishing a market with great potentials is the greatest benefit that the countries gain from getting together in an economic integration framework, which enables their industries, agriculture, and services to

[6] Ibid pages (102-103)

reach the level of big entities' economy. With marketing and optimal distribution, prices in the countries involved in the Common Market can be reduced. This is one of the most important ways for industrial development, as skillful workers are distributed, branch industries are developed, and trade is prosperous, this is the first step to catch up with African industrial revolution, and self-sufficiency in the market region, because manufacturing (particularly exported consumer goods) with the existence of the common market is much better than producing a commodity by the three countries for their local markets.

The success of manufacturing leads to the flow of capital (as in Asian Tigers case), with the capital foreign expertise comes, local skills hone, and the taste of consumers promotes. This is followed by upgradation of economy, society, and individuals in the countries of the market. In this juncture, investments increase, individual and national income grow, trade balance and balance of payment balance for the interest of the market, and no need for debts (those are currently exhausting Africa) would exist. A part from all this, all these resources and potentials are useless as long as underdeveloped economy and deterioration of performance remain as they are. Therefore, countries remain in the vicious circle due to unemployment and income recession which lead to poverty.

It should be mentioned that economic integration also leads to structural shift which is a prerequisite for any social development in a modern community (such as health care, education, electricity, and fresh water resources).

This structural shift is a basis for one of the most important goals of social policy in developing countries. One other benefit for the common market in Africa is that the Common Market –in the principle- makes it crucial for countries and individuals to tend to specialization.

The common market itself rises from specialization upon the basis of comparative advantage, because products produced by a higher comparative advantage for each country make this specific country the only producer that is able to compete by its products in the common market, and exchange with other countries the market with their products that have comparative advantage. By doing so, the need loop completes from a country to another-for only economic reasons- and the common market succeeds in these countries. Unfortunately, this advantage, to some extent, did not exist in the East African countries, because all resources in these countries are similar. But these resources can be devoted to the massive production, on the condition that, each country produces one commodity for the entire market (the three countries). For instance, Kenya produces cotton for the entire market, and Tanzania produces spices for the whole market, therefore each country inters in large entities of economies which gain great benefits. But that did not happen as it was supposed to happen, which hindered the economy growth, as each country produced the same commodity other countries produce, and got self-sufficient from it without any consideration for the requirement of the common market, this resulted in a diverse development for the interest of one of the countries(Kenya) where farms and trade were controlled by the foreigners, which made the terms of trade go for the interest of Kenya, against the other two countries(Uganda and Tanzania), thus the methodology and theory of the market lost their value, and the full benefit started to go to one country which is Kenya, on the basis of that, market processes upon these bases made it subjective for the other two countries. It is funny how the bank missions to the three countries have missed this important point in their reports. This means that, the three countries did not have a long term plan for the Common Market, but from the beginning they used short term policies, which was not good for the Common Market to apply on the East African countries, long term planning could have brought many benefits to the East African countries with possibility of starting it to include several neighboring African countries that have poor economies. It was possible for Kenya to accept establishing a mechanism somehow to compensate the other two countries for what they have lost as a result of the Common Market establishment, but this did not happen. So it can be said that, the reasons that made the common market had limited benefit for Uganda and Tanzania were:

1-Polorization of all the potentials of market by Kenya- showed Uganda and Tanzania as followers of its economy, and this brought inequality in benefits distribution.

2- Policies and practices of the three countries stopped the economic force from determining the location, level, cost and the prices of economic activities. That was reflected in the processes of market committees - specially the Kenyan processes- which controlled domestic marketing for agricultural products for the country with respect to prices and procurement policies, which worked for the interest of Kenya, in contrast with what has happened to Uganda[7].

3-Some of the East African countries were involved in commercial agreement with the Eastern Bloc countries.

4-The various practices of the quantitative import restrictions against foreign countries affected the Common Market.

For the reasons mentioned above, and despite the attempt done by many actors, the common market for Eastern countries was not saved from sinking because the benefits were not fairly distributed, which means that, the idea of the Common Market will not succeed in establishing an economic integration, unless economic advantages, domestic and external trade and import matters are all dealt with equally between the countries of the Common Market on this basis of a unified policy towards all other countries in the world.

The failure of the common market has led to questions that were impossible to answer, but their importance come basically as they are considered to be pillars of any other serious attempts to establish an African regional economic integration, whether in East or South Africa, or even any other group.

The first question is: Are there any other countries that made tangible gains by not joining the common market of the East African countries? This is a difficult question to answer, because it needs to know how these countries were developing in that period compared to their situations after the failure of the common market.

The second question is: Would the three countries of the Common Market (Kenya, Uganda, and Tanzania) grow and develop better, if the Common Market

[7] Belshaw, D, (Agricultral production and trade in the east African common market), in C, Leys and P.Robson(eds), (Federation in east Africa, opportunities and problems),Oxford press, London(UK),(1965).

of the East African countries were not established? This is also an impossible question to answer; because it is impossible to know how the situation would be like in the absence of the market.

The third question is: did the three countries involved in the common market gain or lose from building the common market? And did the collapse of the common market have any effects on the three countries? It is difficult to answer this question because markets in the three countries were separate domestic markets, and continued this way-although the customs union existed- even after the collapse of the common market arrangements. So gains and loses matter- although it was real- is considered to be relative because the three countries were growing separately and none of them stopped growing as a result of the market.

The fourth question is: Was it possible to make balance between the three countries when the common market was existing, to reduce negative effects resulted from the policies of the market? It is not an easy question to answer because the path of economic policies and the terms of trade worked for the interest of Kenya, due to its economic history since colonialism until the period of establishing the common market. It was noticed that, recommendations made by any committee to save the common market, faced this situation which did not allow any balances or compensations from Kenya to the other two countries, so that, the Common Market could play its role in the regional economic integration for the East African countries.

These four questions which might be difficult to answer, are quite important when thinking about any attempt to build a common market in Africa or east and west African region (such as COMESA), because each country in Africa or in any other global group in the continent is considered as a standard of a separate economy. Then, the common factors are discussed, the results of these factors are analyzed, and the results of these factors in their behaviors towards each other are analyzed, especially for productive industry, imports-substituting, import and export trade, and possibilities of establishing a free trade region. After analysis, strengths and weaknesses are reached to the spread effect and balances situations among the member countries in such global common market. For any regional African efforts to succeed in reaching a regional economic integration by the common market and the customs union methods, this brief consideration mentioned as one of the most important milestones of the regional economic integration in Africa, needs expansion and careful study.

The lesson learned from the failure of the common market of the East African countries is that, with a few price reduction policies in the countries of the common market, it was possible to avoid the loses of the two weak countries in the Common Market (Uganda and Tanzania), with a little sacrifice that can barely be noticed in the Kenyan economy. In this case, loses become gains on the level of trade balance among the three countries.

There is another learned lesson from the collapse of the Common Market of the East African countries where these separated economies need remedies.

East African Group (EAG) [8]:

On 30 November/1999 the Common Market of the East African countries was revived by signing a new market establishment treaty under the name of East African Community by the same former establishing group (Kenya, Uganda, and Tanzania), it is located in Tanzania, and later on July 1st 2007 both Burundi and Rwanda joined it to become a group of five countries including Kenya, Uganda, Tanzania, Burundi and Rwanda. The group has invited southern Sudan state - which has recently separated from the republic of Sudan- to join them.

The geographical region that (EAG) takes up, actually, covers an area of (1, 85) million km^2, with a total population of (132) million people (July 2009), the total GDP of the group is around (41) million dollars.

The group aims at expanding and deepening collaboration among the countries of the group for the sake of the common interest in the political, economic and social fields (the common market), thus in (2005) the group established the customs union.

[8] http:/eac.int

Some of the main aspects for the customs union are:

Common external tariff (CET) on imports from the member countries, that is free from commercial custom duties among the member countries, applying different prices for raw material (0%), for intermediate products (10%) and for finished goods (25%). The group is working on establishing the monetary union (the unified currency) by (2012), improving the freedom of people mobility in (EAG) by using third generation cards (ID), harmonizing the post graduate education across all the countries in the group, there are also exerted efforts to harmonize the social security benefits all over (EAG), and finally the full political union by (2015).

The East African Court of Justice is the judicial arm of the group, (EAG) also has a legislative assembly (parliament) and it is the East African Legislative Assembly (EALA), which is the legislative arm of the group. (EALA) has 27 members that are elected by the entire national assemblies of the member states.

EALA's duties are: duties of supervision on all matters that fall within the work of the group , and its duties include discussion and approval of the budget, discussing all matters that are relevant to the group and give recommendations to the council that consider these recommendations necessary for the implementation of the treaty, connection between national organizations about issues that are connected to the group, and establishing committees for the purposes that are considered necessary, particularly those are related to regional and international trade, including the EAC stance about issues such as the World Trade Organization and transportation on Lake Victoria.

Attempts of Integration in South Africa:

South African Customs Union (SACU):

In 1910 there was a customs union and monetary unit between South Africa, Basotho land, Swaziland, and Botswana, when all these countries were colonies under the British crown and administration. These economic complementary forms continued even after the independence.

In 1956 customs cooperation between Basotho land, Swaziland, and Botswana extended to an agreement between these countries, and Rhodesia and Nyasaland, then in 1964 a trade agreement was signed between Malawi and Rhodesia after the abolition of Rhodesia and Nyasaland union.

All these arrangements ended in 1966 by a one sided declaration of Rhodesia's independence from Britain. It is noticed that these groups were regional according to borders division between African countries done by colonists, it is also realized that all efforts towards regional economic integration started among African countries ended up in a customs union and monetary unification, which might show that borders drawn by colonists are artificial ones which basically meant to separate the very same population groups in a way that does not allow any kind of internal or external harmonization among African countries. This is the most important point in the regional economic integration because harmonization and cohesiveness are prerequisites for the regional economic integration and it will not succeed without them[9].

As for the regional economic integration between groups, there were some attempts to establish a customs union, or other forms of economic integration between English speaking and French speaking countries, but these attempts did not succeed because the concentration was mainly oriented to political reasons.

Even the attempts of bilateral economic integration between Gambia and Senegal in 1964 did not bring up any important thing in this manner. In the same year-1964- there were proposals to establish a free trade area for East Africa, which

[9] Ibid(p.20-21)

included Coted'lvoire, Guinea, Liberia, and Sierra Leone. These countries established the West African Economic Cooptation Organization, which started to study the possibility of a close cooperation between these countries.

The African Economic Committee that belongs to the UN, and after a conference held in Lusaka in 1965, attempted to exert some efforts on the regional economic integration and economic cooperation- on geographical bases- between east and middle African countries. Six African countries (Ethiopia, Kenya, Malay, Mauritius, Tanzania, and Zambia) have accepted the recommendations of the conference, and signed the articles of association draft for the east African group. In 1966 the agreement was discussed by a temporary ministerial council from these countries, however all these efforts did not result in anything important. There were also some efforts exerted to establish the South African Common Market that includes South Africa, Rhodesia, and The Portuguese colony (Angola, and Mozambique), but the government of South Africa refused the idea because it was considered as impractical.

Southern African Development Community (SADC):

It is a governmental organization established on (17 august 1992), the headquarter is in Gaborone (Botswana). It includes the member states of; Angola, Botswana, Democratic Congo, Lesotho, Malawi, Mauritius, Mozambique, Namibia, Swaziland, Tanzania, Zambia, Zimbabwe, South Africa, Seychelles, and Madagascar (its membership is currently suspended due to the coup).

The group aims at attaining the social and economic cooperation, and more of security and political cooperation and integration among the 15 member countries, the group also has an advantage that is considered a big challenge for the group in the same time, that is some of the member countries in the group are also members in other regional economic cooperation groups, for instance; South Africa and Botswana are members in (SACU)[10], Zambia is a part of

[10] SACU is one of the customs union that continued to exist in the world, it was established in 1910, it comprises of South Africa, Botswana, Lesotho, Swaziland, and Namibia.

(COMESA), and Tanzania is a member in (EAC), this completes the role of the African union.

Protocols and Treaties of SADC:

The agreement that established SADC includes different treaties and protocols such as:

*Corruption protocol.

*Fire guns protocol.

*Health and education protocol.

*Development and cooperation plans.

*Advertisement such as the one about HIV virus, and food security.

Group Structure and Procedures of Decisions Making:

On (August 14 2001) (SADC) establishment treaty was modified in order to make reforms in the structures of the institutions of the group, and for more cooperation among these institutions. It is an ongoing process. The structure of the group includes the following main institutions:

1-Summit conference: It includes presidents and prime ministers of the member countries.

2-The organ concerned with politics, defense, and security.

3- The council of ministers.

4-The court, it is in Windhoek, Namibia.

5- The national committees.

6- The secretariat.

7-The general secretariat.

Rather than the court, all decisions in the institutions in the group are made by consensus.

Many of the group countries-like other regional economic groups- are facing several development challenges, economic challenges, social challenges, trade challenges, education challenges, health challenges, defence and security challenges, political challenges, livestock diseases, organized crime, weak infrastructure and other challenges.

All or some of these problems and challenges can be solved within the framework of the group, or the frame work of the specific bloc in the specific organs and institutions, or even within the coordination framework that is done by the African Union and its institutions.

On Wednesday (22October 2008) the leaders of the three economic bloc- SADC, COMESA, and EAC- came into agreement to form the African Trade Area.

The leaders of the three blocs agreed on establishing a trade area that comprises 26 countries.

African economic groups[11]

The member countries	GDP (American dollar)		population	Area km2	The economic bloc
	Per capita	Millions			
54	2,406	2,053,706	853,520,010	29,9110,442	AEC
15	1,748	703,279	3,00,000,000	5,112,903	ECOWAS
5	1,065	104,239	124,858,568	1,817,945	EAC
15	3,152	737,335	233,944,179	9,882,140	SADC
5	5,836	491,276	84,185,073	5,782,140	UMA
20	1,811	735,599	406,102,471	12,873,957	COMESA

The member countries	GDP (American dollar)		population	Area km2	Other economic bloc
	Per capita	Millions			
6	2,435	85,136	34,970,529	3,020,142	CEMAC
5	10,605	541,433	51,055,878	2,693,418	SACU
8	1,257	101,640	80,865,222	3,505,375	UEMOA
5	3,822	635,450	166,259,603	5,876,412	GAFTA
11	1,451	175,928	121,245,958	6,667,412	ECCAS

[11] http:/www.eac.int

7	1,197	225,049	187,969,775	5,233,604	IGAD

Establishing the African development bank in 1964 in Abigand is one of the most successful experiences for the regional economic integration in the entire Africa, but establishing this bank, which is comprised of all the African countries, was not accompanied by establishing an economic union for payments and clearance among the national African banks, in addition to that, there are some service organizations to supervise rivers, lakes, post, telecommunication, industrial development and steel production field.[12]

Economic Integration in Developing Countries:

Economic integration in developing countries is different from economic integration in developed European countries in its meaning, expressions and content. Although they share the same purpose, the situations are completely different according to the need for the integration itself. European integration is the prerequisite for its unity and survival, and without it Europe is going to be a place for hostility and war. As for Africa, survival of its countries and their people does not depend on the integration, but it depends on respecting geographical boundaries between each country and another, respecting the sovereignty of the countries, and mixing between its people with each other. The colonial division of the geographical boundaries between the African countries has been a big help for that. As many tribes still have the half of their people live in a country and the other half live in a different country. Also, there is not any African country-no matter how big it is- has the necessary power to concur another country, and moreover, the colonial sprit has no place in the African mentality, because all African countries have suffered from colonialism and foreign exploitation.

Despite all that, and due to the bond known between Europe and Africa that goes back to the time of colonialism, all inceptions for the regional economic integration in Africa took the same shape that Europe began its complementary

[12] Robso,OP. Cit 1986 p21

effort with, such as beginning with customs unions, and customs restrictions elimination. That is clear in all integration agreements among African countries, whether these agreements were bilateral, or multilateral.

The most successful experience was the experience of the customs unions and the agreements concerning monetary. As it is known, customs unions in Europe have developed to the common European market, and the European Economic Group, as an important forward step to the customs union's success[13].

But in Africa, customs unions were working very well, then they developed regionally and independently (such as COMESA) in the east, middle, and west of Africa, without involving the other African countries.

What development lacks, especially in African countries, is the scientific definition, which is based on the successful experience for the integration, because integration according to the scientific data in Europe is based upon the following:

1-Specilization and expanding it so as the entire member countries in the integral group can be included in its benefits, for example; steel group between Peneluse state, France, and Germany.

2-Homogenity of financial tools, and other monetary tools, on the basis of economic policy preparing for the integration among the countries.

3-Freedom of trade and movement of individuals, workers and capital through countries.

4-Common currency (for instance Euro).

5-Relative compromise of the countries from part of their sovereignty for the integral institutions with respect to policies and decisions making.

6-Politically, Europe has to unite in order to avoid blocs (allies and axis) that led to war (both world war I, and world war II, within the same century- the former century.

[13] Ibid, p.30

Compared to Africa the following is manifested according to the data above:

1-There is no need for specification in production, or distribution of raw materials between the African countries, because the economies of their goods are still related to European countries which were colonizing them in the past, and not related to each other at the African level. As the bloc that aims at controlling the world market has failed because the initiative for reducing and increasing prices is still on the hand of European countries that buy African raw materials, for example; cotton in Sudan until the eighties of the last century. Industrial cooperation between Togo and Dahomey to produce common industrial goods, has also failed, and the effort to build iron and steel group for east of Africa has failed as well.

2-African economies are part of European economies; therefor the labor market is subject to the European demand for goods, because they all produce export commodities which are allocated by Europe.

There isn't any African country that produces a commodity for its local consumption and export it to an African country or other African countries on the basis of comparative advantage for the country to produce that commodity which is scarce in that country or other African countries.

So, trade freedom remains a symbolic principle for commercial cooperation among the African countries. As for individuals transition is limited to the working classes in law jobs, for example; employment transition between the southern African countries depends on the migration of workers from the poor countries and regions to industrial countries and regions, to occupy minimum labor employment, but governmental carriers, and leadership of companies and industrial and commercial institutions is monopolized only by the people of the specific country. It is noticed that labor market in African countries is low due to the low productivity which leads to low incomes as a result of the low productivity. Low incomes and productivity result in declining of the labor market, and reducing it below the European level, which gives European commodities a great advantage in marketing and quality excellence. The opposite happens to European commodities; therefor the African countries get attracted to buying the

European goods instead of the African products, which highly contribute in widening the gap between the labor market in Africa and the labor market in Europe, and productivity and income. Thus, the vicious circle continues in the transition of both workers, and trade among the African countries. There is also a goods homogenization among the African countries, as most of the African countries tend to exchange importation by local production to save the hard currency they used to spent over importation, and to create opportunities for local employment and trade in the local production places where products are produced (for example; soap and oil) whereas most African countries have the raw materials and some industrial expertise-or they can get them- and the little capital necessary to produce these two products, thereby, there will neither be goods integration opportunities among the African countries, nor benefit from their comparative advantage in producing goods. As for movement capital among African countries is a premature matter due to poverty of the African countries, poor capital accumulation, and the absence of fiscal houses, and regional institutions that are able of funds infusion over private and public sectors projects, but current capital facilitation done by working international fiscal houses, institutions, and organizations, is just a small part of developmental need for each African country.

3-There is no homogeneity in monetary and the fiscal tools on the basis of the economic policy-preparing for the integration between these tools- among all African countries, because-for example- one of these tools which the African Development Bank that has been existing since it was established in 1964, until now, IS not able to create the necessary condition to make an African monetary and a fiscal economy through the projects it offers, because benefits of the projects established by the bank go to African countries separately, and not on the basis that the beneficiary are African countries and their people. If monetary and fiscal policies between the African countries were homogeneous, the beneficiary from the projects offered by the bank would be all African people, and that goes for the projects funded by the International Bank, International Fund and the public and private international financial bodies[14].

4-In addition to what have been mentioned above, it can be said that African currencies are not ready for the consolidation, like what happened in Europe as they unified all local currencies in one currency (Euro), because the idea of the single currency as an integral, monetary and fiscal tool does not seem to be very attractive for African countries.

Therefore, the idea a single currency is not only a peripheral idea, but also not possible and impractical within the existence of the current economic structures. Within the same framework it should be admitted that African economies-although it has been not less than four decades since the independence of the African countries- are still traditional, and modernization did not find its way to them at the different aspects, especially with respect to the monetary and fiscal integration.

The matter of African debts to private and public international monetary and fiscal institutions, should also be addressed, which leads to dependence on decision making, and monetary and fiscal policies making, which keep the African countries away from homogeneity in their policies in this area.

5-It is noticed that, primary efforts that have been exerted on Pan-Africanism were not economic but political, because pan-Africanism was only a political movement aimed at political independence and liberation of Africa from colonialism. The African leaders and people have found self-satisfaction in independence without giving attention to the economic integration, as they did for Pan-Africanism, and the struggle they have been through for it. Economic integration could make opportunities and possibilities that can effectively be achieved considering pan-Africanism, if it was accomplished by an economic integration, many independent African countries would have overcome the smallness problem.

[14] Ibid.(Pp.20,218,291,296)

The doctrine of Pan-Africanism-without accompanying the economic integration-resulted in the independence of all the African countries from the European colonists. Then these countries began- as it acutely happened- to grow separately without strong institutional bonds between them which allows them to relatively compromise part of their sovereignty aspects for several integral institutions, policies making, decisions making and enforcing according to these data. So, despite the success of the Pan-Africanism in achieving the political independence for all African countries, economic unity and African economic integration were just slogans and no struggle of efforts were exerted to achieve them, due to the difficulty-but the impossibility- of economic independence of the African countries from European countries that were colonizing them in the past.

6-Also, from a purely political point of view, the African countries were not a part in their struggle against the European colonist to achieve their independence, but their full vision was unified-leaders and people- against Europe, so they did not have to reunite like Europe which were torn by wars, enmities, and different blocs.

According to what have been mentioned, it was inevitable for the integration between African countries to tend to African economic integration and cooperation-after the success of the doctrine of the Pan-Africanism- on a regional basis, instead of the continental one, and on this basis, the difficulties seem to face the continental bases of integration are:

1-The difference of economic structures in Africa from one another.

2-The difference of economic development levels among the African countries (for example; the north and south of Africa compared to the countries of the east and west of Africa).

3-The difference of political intellectual development and growth in the African countries, for instance; Sudan and Egypt compared to most African countries - Southern of the desert.

4-The absence of economic benefits and their resources among all African countries, on the basis of the economic integration among them on continental basis. There is not also any possibility for these benefits to show up at the continental level in a way that magnifies the economic unity up to the degree of the benefit of the Pan-Africanism's struggle to get political independence. Benefits of continental political engagement have not also been forthcoming as a result of the difference in doctrines-even towards the continuity of the Pan-Africanism, for example; Casablanca group, and Monrovia group- languages (Francophone, Angles, and Arabic language), religions, customs, and local traditions from one country to another.

According to what have been mentioned, continental pattern for economic integration was excluded and replaced with regional pattern which was not based on the principles of integration among countries, but it was established as a mean of a regional economic integration among a group of countries that belong to the same region after which the economic cooperation is named, for example; economic cooperation groups in the east, west, north, south, and middle of Africa. The pattern prevailed in the economic integration in African countries, because European countries that colonized them before gave them a differential treatment for their products and goods, which increased consolidation between African countries and European countries which were colonizing them in the past[15]. This case increased the separation between African countries from each other until each African country or a group of African countries has become economically linked with a European country that has its own orientations towards it. This situation affected on the mechanism of the economic cooperation between the African countries, on the other hand the relationships between the African regional groups- independently- and European countries have been strengthened. for instance; if an African country gets credit in a form of debts or financial aids from countries, and public and private financial institutions in Europe or the US, its imports will massively increase from these European countries or from the USA, and not from other African countries with which it has economic integration agreements or regional economic integration mechanism-if it exists. With the same respect, these developments would lead to increase its income faster than the other neighboring African countries, and also would

[15] Ibid.(p.75)

increase the price of its products to a level that would be higher even if the neighboring countries imported the same product from elsewhere outside Africa.

Thus, there will be no homogeneity in the economy of these countries, which creates a gap between all economic mechanisms, which hinders any serious attempts of economic integration among them. Since historical attempts of regional economic integration in Europe began with establishing customs unions, which is the same pattern that succeeded in the African economic and trade cooperation attempts(such as; different customs unions in the east, west, and south of Africa, which have been formally mentioned), it seems that traditional theory for customs unions can be applied in Africa, but that will be limited due to the difficulty and the lack of understanding the main purpose, and problems linked to the integration in Africa, with respect to the benefit that can be achieved through this integration.

This is attributed to many reasons, and the most important ones are:

1-This theory does not make any sense for African countries so they choose integration over free Trade-Specially nowadays, in the era of globalization and liberalization of economics and trade- because emerging industries, and export substitution depend on protectionism policy in a time integration matter has become a dynamic and attractive matter and everybody is trying to achieve it, because of its success in European countries.

2-It is obvious that, the benefit that African countries can gain through applying the traditional theory-within the framework of protectionism- that differentiate between trade diversion (according to comparative advantage of each country in commodity production) and trade creation will not be great, because projected incomes coming from specializing in producing one product that has the comparative advantage, will be great within the policy of protectionism.

3-It is not easy for the traditional theory of customs union to explain to the countries the way of distributing benefit and gains among them within the framework of customs union, so with the pursuit of each country to benefit from the customs union as a tool of integration, one country may gain more than the others in the integration process. For example; the failure of the Common Market of East African Countries, when Kenya gained a lot of benefit while Uganda and Tanzania did not[16].

The African Economy and the Problems of Integration:

All aspects of the recent history of African economy show that, African countries have economically developed according to the characteristics that colonial power put for them. These characteristics can be summarized in that, their development (some African countries development) was based on commercial mining, European agricultural patterns, such as; Algeria, Rhodesia, Zambia, Kenya, and Belgian Congo (previously). There is also another pattern, which is specializing in agriculture such as Ghana (cocoa), Uganda (coffee and tea), and Sudan (cotton). Both kinds of economies were directed to produce crops for exportation[17].

As a result of these two patterns, the first group has more industrially developed, and the second group has more agriculturally developed. Thus, difficulties concerning regional economic integration among African countries came into existence. With these differences in advancement and growth, the growth gap among these countries has occurred, because of capital flow to the first group from colonial power[18].

Based on what was presented of monitoring economic integration in Africa, according to regional groups, and the end is going to be by South Africa as it is the first segment in the common market in east and Southern Africa (COMESA) and as an introduction for the third chapter.

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[16] Ibid. Pp(56-58)

[17] Neumark S.D, (Foreign trade and economic development in Africa) food research institute, standford university, standford, (U.S.A) (1964).

[18] Frankel, S.H, (Capital development in Africa), Oxford, university press, London, U.K.(1938).

The common market for Eastern and Southern Africa (COMESA):

Introduction:

The common market for Eastern and Southern Africa was established in 1964 within the framework of African countries organization for the economic integration in Africa to unite the economic communities in Africa, so they can form the African economic group like the economic group in Europe, to achieve the African unity or the African union, as the European group and European union which were established through Europe economic integration which began in (1957) by Roma conference until the European currencies ere unified in (1999) in a single currency(Euro).

The first initiatives are represented in Lagos Plan of Action (LPA), and Final Action of Lagos(FAL), and initiatives were made by the African Organization and they put the developmental process necessary for African integration on regional bases.

The organization that precedes (COMESA) was preferential trade area for Eastern and Southern Africa (PTA).

They shared the same goal that European market were made for, which is benefiting from the big size of the market, taking part in the legacy and the common fate of the region, for greater economic and social cooperation and expanding it, and for putting the bases for creating the economic group. Goals that made by the common market for east African countries(Kenya, Tanzania, and Uganda) preceded the establishment of the organization of African unity(OFU) which means that it precede (LPA) and (FAL) which were made by the (OAU).

The idea of establishing (COMESA) started in (1965) with appreciated efforts from the United Nations economic commission for Africa (UNECA) to establish a regional organization for economic integration. In (1978) efforts took the shape of establishing a branch regional trade organization to develop within ten years to a common market, waiting for forming the economic group for Eastern and Southern African countries. For this purpose, concerned countries adopted establishing preferential trade area for eastern and Southern African countries (PTA) and its mechanisms.

On December (1981), the agreement of establishing this area was signed to be put in action in the beginning of September (1982), seven countries have signed the agreement.

Thus, came the first steps to initiate (COMESA) as it was signed in 1993, then it was approved and came in force in 1994, therefor COMESA came into existence in 1994.

Administrative structure for the common market for Eastern and Southern Africa:

1-Authority: It is represented in presidents of the countries and governments that signed the agreement of (COMESA) establishment.

It is the supreme political organ for the common market. It focuses on orienting policies, supervising and the accuracy of the performance, and achieving goals and purposes of the purposes of the common market.

2-The Council: It comprises ministers from the countries involved in the common market which makes decisions that concern programs and activities of (COMESA), they are responsible for revising financial and executive administration.

3-The Committee of governors:

It comprises from governors of central banks for the member countries, it conducts COMESA’s clearing house, and assure commitment to monetary and financial programs.

4-Governmental committee:

It is comprised of deputy ministers of specialized ministries in the member countries, it is responsible for developing and managing labor’s programs and plans in all cooperation sectors save monetary and financial sectors.

5-Technical committee:

It is responsible for the different economic sectors, administration and budget.

6-Advisory committee:

It is a committee for businessmen and common interest groups in the member countries to facilitate dialogue between these groups and specialized organs in the common market.

7-Secratariat:

It is led by the general secretary; it provides technical support and help, and advisory services for the member countries when the agreement is applied.

8-Court of justice:

It guarantees the right enforcement and applying for the articles of convention, and rule on any dispute concerns article convention among the member countries.

Organs and Institutions of the Common Market for Eastern and Southern Africa:

(COMESA) established the following independent organs and institutions to achieve its goals:

1-(PTA) company for insurance: for the reinsurance in the area, thus the scant resources in the area will be sustained.

2-(PTA) bank: It is called trade and development bank for Eastern and Southern Africa. It provides funding for trade and projects.

3-Leather product institute.

4-Mineral Industries Union for the countries of (COMESA).

5-Businessmen union for Eastern and Southern Africa.

6-Businesswomen Union for Eastern and Southern Africa.

7-Medicine Manufactures Union for Eastern and Southern Africa.

8-Banking association for (COMESA) countries[19].

Below are some important figures about (COMESA):

1-Area (12, 88) million km2.

2-Population (380) million people, which is 54% of people in Africa, and the average population growth rate is (2.45%).

3-GDP: (166) billion dollar.

4-Size of international trade: (4.3) billion dollars.

5-Gross foreign trade for member countries: 69 million dollars.

Problems and Obstacles Facing the Common Market for Eastern and Southern Africa:

Some of the member countries expressed some problems and obstacles that may face the common market for Eastern and Southern Africa when it is applied for the free trade area, which have started investigation since October (2000) as following:

1-Loss of government revenue, because of applying free trade among the member companies means exemption of goods and products produced by the member countries from tax and thus, governments lose these revenues when-they withdraw customs duties and barriers tariff- opening borders for products and goods locally produced by each member country.

(COMESA) suggested for governments to use other methods of tax to meet this loss of customs duties. These methods impose local sales tax or value-added tax on imports and thus revenue increase. Other advantage for the countries of (COMESA) that they use the extra income resulted from withdrawing customs duties from goods of the member countries, to increase their standard of living,

[19] (http:.comisa.net (COMESA Q and A 29/10/2001.(Pp 1-3 to 2-3 (ABSTRACTS)

and thus many benefits will come as a result of withdrawing customs duties among member countries. Similarly, companies and businessmen can benefit from the market expansion.

2-The other obstacle is complication and heterogeneity of procedures of the direct of the direct and indirect taxes in member countries, so the secretary of (COMESA) has followed an new line with these countries to simplify procedures to insure efficiency of collecting tax homogeneously in member countries in (COMESA). This is a good sort of tax reform.

3-Under Cross Border Initiative (CBI) and those who internationally support it (such as the International Bank, INF, European Union, and the African Development Bank) then taking procedures-through this mechanism(CBI) to compensate affected countries such as; Uganda which is going to lose (11.7%) of its revenue because of customs duties withdrawing, Madagascar (4.1%), and Malawi (4.2%). Currently there are also exerted efforts to involve the rest of members in (COMESA) in this mechanism.

4-Common external tariff.

Secretary is currently working on facilitating success of huge revenue for member countries.

Policies of (COMESA) Within Globalization:

Policies of (COMESA) within globalization aim at the following:

1-Reduce reliance on import tariffs.

2-Reform the monetary system among the member countries to facilitate adopting other forms of tax, due to reducing reliance on import tariffs.

3-Fiscal policy: Fiscal policy recommended by (COMESA) for the member countries is that, it should be fairly collected, administratively feasible, should bring enough revenue, and reduce tax distortion. That means expanding fiscal base, fair use of taxes on good, and developing a balanced tax policy based on incentives. Also putting incentives on personal income tax and cooperate tax.

4-The first step in the field of programing trade liberalization was developing the common detection for selected commodity basing on import and export interest for member countries. But this procedure did not help internal regional trade to grow, so it was decided that tariff on all goods produced by member countries shall be reduced, which means that Member countries should reduce their tariff gradually by 10% each two years-starting from October 1994- from the base line (60%) which was achieved in (1992), until they reached zero tariff in October (2000). This graduation was to give member countries the time they needed to arrange their situation, to deal with (COMESA) free trade area, and to liberalize trade and globalization. This matter was considered one of the most complicated problems that were to face (COMESA) and member countries after (2004), until the entire member countries in (COMESA) were to qualify the membership of world trade organization(WTO).

5-After applying free trade area for (COMESA), trade and investment in this big market will be very competitive. Thus, as a result of this completion on the big market, inefficient industries will try to be restructured and rearranged their situations so they can complete and sustain, otherwise they will end. Similarly, local, regional and international investment will turn to successful industries which can efficiently last in the market. This will lead to an imbalance among member countries, which means that (COMESA) should-since now- notice the differences between relatively industrial countries and the other relatively developed countries, among member countries.

6-The advantage of competition in the big market is that, competing companies will produce products with low price and high quality, and will give extensive options for consumers to buy products. In addition to the strong competitive spirit, which gives these industries the opportunity to compete at the global level. The important point here is that, how could these projections be achieved.

7-To meet the challenges of internal and international completion, (COMESA) has put standards for quality, metrology, and testing (SQMT) which means these standards will be the same in the whole member countries in(COMESA).

The other procedures include:

A-Establishing the regional investment agency (COMESA).

B-Putting the bases of the regional competitive policy to insure homogeneity between the current national competitive policies, avoid contradiction, and create a fixed regional economic environment.

C-Working on reaching a homogenous regional investment atmosphere.

D-Improving economic infrastructure.

E-Improving technological potentials.

F-Supporting the procedures of industry and businessmen through Trade Information Network (TINET).

G-Solving problems occurred for weak industries as a result of applying (COMESA) agreement, for some member countries. In addition to that, affected countries are allowed to take the necessary safety measures to protect their industries, after notifying the secretary of (COMESA), and the other member countries.

Finally, (COMESA) is not only interested in trade, but also industry, agriculture, and service sectors (such as funding and insurance). (COMESA) also represents a nexus between trade development and investment.

Free Trade Zone (COMESA):

Definition: Free Trade Zone is a gathering between two or more countries, which agree on trading with goods that they produce without charging customs duties, or any other equal impact fees. They agree on describing goods that are allowed to be exchanged without charging customs duties according to rules of origin, countries also agree on removing all barriers except the tariff on trade between them.

Free trade Zone (COMESA) began in (2000) with nine countries; Djibouti, Egypt, Kenya, Madagascar, Malawi, Sudan, Mauritius, Zambia, and Zimbabwe. Since then, these countries began to trade on the basis of terms of withdrawing customs duties for all goods produced by any one of the mentioned countries.

Seychelles islands promised to join these nine countries in June 2001. The other countries of COMESA are working on planning to join the free trade area, to take part in the benefits of this big market. In a common market, free trade area with a population of 380 million people reinforce proper monitoring of resources, and encourage total economic efficiency through establishing and encouraging competition among different industries in member countries, here stands out an excellent negotiating opportunity for the countries of Free Trade Area (COMESA) to value the raw materials produced by the countries of the area to match global prices. The same goes for the other production inputs, and thus, an opportunity to gain is given to the countries of the area by reinforcing their global completion, through controlling raw materials and production inputs needed by the world market.

Since (COMESA) includes twenty countries of the entire member countries (figures of December 2001), the rest member countries that did not join Free Trade Area will have preferential terms. These countries began to reduce customs duties on the goods that are produced in the countries of free trade area by (60%)

to (80%)-which means they only charge (20%) to (40%) of the tariff on the basis of most favored nation (MFN). Rules of origin cover goods produced in COMESA and worth exempting from customs duties, or preferential treatment with respect to customs tariff or any other fees with an equal impact, against goods that are produced outside COMESA and have to pay full customs duties.

Rules of original comprise from five independent categories that approve the goods to be produced in COMESA. Each product for any country that matches one of these five categories will be part of this categorization. Thus, came into existence detection of goods with special importance for economic development for member countries. In the same time the agreement of COMESA contains articles to protect their emerging industries. Member states can also remain committed to provisions of international agreements that rule trade that they are a part of. The system of COMESA does not allow any kind of unfair practices among member states.