

## Free-trade deal 'hinges on deeper integration'

Expert believes policy differences in Southern Africa and East Africa could derail bid for free-trade.



Photo: The Times

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A TRADE expert yesterday warned that vested interests and policy differences in the East Africa and Southern African region could derail a bid to create a free-trade agreement among 26 countries unless there was enough "political stomach for deeper (regional) integration".

Heads of state of all 26 countries will on Sunday agree on a plan to authorise a "grand free trade" agreement between the Common Market for Eastern and Southern Africa (Comesa), the East African Community and the Southern African Development Community (Sadc). The meeting, which will be held in Johannesburg, is expected to be chaired by President [Jacob Zuma](#).

All three blocs have a combined population of 590-million with a gross domestic product (GDP) of \$860bn a year. It is expected that the combined GDP of these countries will top \$1-trillion by 2013.

"The real bedevilment is, as always, in the detail and it remains to be seen whether we have the political stomach for deeper integration, when we have been unable to integrate properly within these trading blocs individually to date," said Hilton Zunckel, director of Trade Law Chambers.

The failure to conclude a customs union for all Sadc countries by last year and to empower the regional Sadc tribunal court to effect judicial decisions in member states were some of the compelling reasons why the proposal of a free-trade area would be difficult to create, Mr Zunckel said.

Comesa and the East African Community were lucrative markets for products manufactured in SA.

High tariffs rates on imported goods was one of the sticking points that had to be addressed within Comesa and the East African Community, trade specialist Matthew Stern of DNA Economics said yesterday.

However, Trade and Industry Minister [Rob Davies](#) was optimistic yesterday and hailed the free-trade initiative as a step that would spur the economic development of the continent.

"The African continent is now being looked on as a source of economic opportunity and as one of the growth areas in the world economy," he said. Mr Davies was speaking in Johannesburg, where he was addressing foreign correspondents working in SA.

During the first phase of the trade agreement, priority will be given to trade in goods within the next five years. After this period, negotiations will then focus on concluding a deal on competition policy, intellectual property rights as well as trade in services.

Business was the most likely lobby to benefit from this initiative to create a free-trade agreement among the 26 countries.

Once the authorisation of a free- trade agreement has been signed, protocol on the free movement of business within the three blocs will come into effect.

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