Are the Conditions and Requirements for a Regional Trade Arrangement (RTA) Fulfilled by African Regional Trade Arrangements? A Case Study of COMESA

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Draft Paper Prepared for presentation at the African Economic Conference (AEC) jointly organized by the African Development Bank (AfDB) and the United Nations Economic Commission for Africa (ECA) to be held between 15-17 November 2007 at the United Nations Conference Centre (UNCC) in Addis Ababa, Ethiopia

[1] The views expressed in this paper are those of the author, and any errors and omission are entirely his own.

Abstract

Almost all the African countries have embraced Regional Trade Arrangements (RTAs) since attaining political independence in the I950s and 1960s as means to enhancing policy credibility and accelerating trade to overcome the economic disadvantages of fragmentation of many small-nation economies in Africa. Today, there is virtually no country in Africa that is not a member of at least one regional economic group. Even though many explanations have now been made about the necessity of establishing RTAs in Africa, there is still considerable vagueness and inconclusive evidence at best on whether the circumstances and conditions required for a useful RTA are actually met by African RTAs or not.

Therefore, this paper examines the circumstances and conditions under which RTAs are useful comprehensively and analyses the experience of COMESA, one of the 13 existing African RTAs to see how far African RTAs have met the conditions and circumstances. Through both theoretical and empirical analysis, it is established that many of the African RTAs do not fulfill most of the circumstances and conditions that are normally associated with successful RTAs. It is evident from the analysis carried out in the paper that the dismal outcome of African RTAs can be attributed to many factors, which include low level of share of intra-RTA trade in total trade; dependence on basic minerals and primary products as main exports; low level of structural complementarity of the African economies; multiple, duplicative and overlapping protocols, structures, mandates and membership of African RTAs, leading to inefficient use of resources; recurrent political instability and conflicts; over-ambitious goals and unrealistic time frame for achieving their objectives; and weaker infrastructure and communication linkages amongst others. Even the only condition of high pre-RTA tariffs that was met by African RTAs poses constraints to the expansion of trade in the region.

The paper concludes that formal RTAs in Africa are not likely to ensure greater integration of member countries into the global economy, and hence are doubtful to be beneficial to member countries. Perhaps, trade on a Most-Favored-Nation (MFN) basis can be a far more promising option for the African region. If African RTAs want to avoid the problems of the past and achieve potential gains of a useful RTA, the actions that need to be taken are identified as follows: lay more emphasis on areas where African RTAs have comparative advantages; reduce the multiplicity of objectives and membership of RTAs; lay more emphasis on policy coordination rather than on trade integration; adapt reforms to each member country's specific economic and social characteristics, priorities and level of development; broaden the objectives of RTAs beyond trade integration to include free movement of people and capital with realistic time-frame; develop infrastructure; redefine the role of state; and harmonise trade policy instruments such as tariff reductions.

1. Introduction

Trade has always been a major component of the economic development of nations (see for instance, Krueger 1999, Grossman and Helpman 1990). Trade enhances the rate of economic growth, natural resources usage and income distribution of countries. It also influences the economic and political relationships of nations (greater interdependence among nations). Through international trade, new opportunities are opened up for labour and new markets. Poor countries can even import technology and machinery, which they cannot produce, from the industrialized countries. Trade also creates several challenges for developing countries, including increased competition from foreign firms (which is good for consumers in poor countries, but bad for competitive producers), instability in global market prices for import and export products, and structural changes associated with the transformation from primary goods to manufactured products (see Perkins *et al*, 2001). By and large, it is generally believed that poor countries have more to gain from free trade (see Krueger, 1999 and Stiglitz, 2000). This is because their development requires economic growth to reduce poverty, and their increased access to global markets is seen as a condition for the former.

One of the reasons why the ministerial conference of WTO failed in 1999 was its expansion to 130 members, which made it difficult for the organization to reach consensus on issues. This did not only make developing countries (which grew in membership more than during the era of GATT) to voice out their concerns but also led to a loss of optimism about the prospect of achieving multilateral change, which have made states to become more interested in regional integrations as more feasible alternatives. Consequently, many governments have been concentrating on negotiating regional treaties. Although regional trade arrangements (RTAs) are not in concordance with WTO's most-favoured-nation (MFN) principle, which preaches non-discrimination, they are supported by WTO[2]. Some of these RTAs have been in existence before the metamorphosis of GATT to WTO. Between 1948 and 1994, the GATT received 124 notifications of RTAs (relating to trade in goods), and since the creation of the WTO in 1995, over 100 additional RTAs covering trade in goods or services have been notified. Currently, over

[2] See Article XXIV of GATT (revised 1994) and Article IX of the Uruguay Round Agreement (1994)

150 RTAs are in force and there is hardly any country in the world that is not a member of one RTA or another.

Much of literature on regionalism tends to assume that RTAs are similar to one another. This is partly because in analytical discussion, it is common to analyse the symmetric case in which countries are of equal size (Krugman, 1991). Therefore, it is important to emphasise that RTAs take wide varieties of forms, which reflect varying degrees of economic integration among their member countries. First, a free trade area in which member countries eliminate all trade barriers among themselves but each member-country retains its individual tariffs against non-member countries. Second, a customs union in which intra-trade barriers are removed among members and common external tariffs are imposed on imports from non-members. Third, a common market that constitutes a higher degree of economic integration than the custom unions in which factors of production also move freely within the markets in addition to the free flow of goods and non-factor services and the adoption of common external tariffs. Fourth, an economic union that is an even deeper form of regional economic integration arrangement in which countries within a common market agree to coordinate and harmonize their domestic economic policies on trade, monetary, fiscal and welfare. Fifth, a political union that is the deepest end of the regional integration spectrum in which the participating countries agree to unify all of their policies and virtually become a single country.

Almost all the African countries have embraced RTAs since attaining independence in I950s and 1960s as means to enhancing policy credibility and accelerating trade to overcome the economic disadvantages of fragmentation of its many small-nation economies. Today, there is no country in Africa that is not a member of at least one regional economic group. As reflected in the number of RTAs both in the continent (13 RTAs at the last count) and world- wide, the issue of RTAs continues to occupy a centre-stage in the economic agenda of countries. In addition to agreements at a regional level, attempts have also been underway to create economic cooperation and integration among African countries at a continental level. The OAU Summit of 1980, which led to the birth of Lagos Plan of Action and the Final Act of Lagos, was the first effort towards this goal. This effort continued with the signing of the African Economic Community Treaty (or The Abuja Treaty) in 1991. The broad aim of the Treaty was to establish a continent-wide single

market by 2025. Furthermore, the Abuja Treaty announced more specific phases for creating and/or strengthening economic integration at the sub-regional level. Particularly, its ultimate objective of a continent-wide integration was to be achieved through the building blocks of the lower level RTAs. Therefore, the Treaty expected that one RTA would exist in each of Africa's five sub-regions (i.e., Central, Eastern, North, Southern, and West)[3]. These challenges faced by Africa can be seen to have culminated into the creation of the African Union Commission.

What calls for concern is whether the circumstances and conditions required for a useful RTA are actually met by African RTAs or not. This paper seeks to investigate this issue using COMESA-one of the African RTAs as a case study since it is the largest RTA in Africa and as its name suggests, COMESA straddles the two sub-regions of Eastern and Southern Africa. The rest of the paper is structured as follows. The next section explores the circumstances and conditions under which RTAs are beneficial or useful comprehensively through a review of literature. Section three starts with the analysis of African RTAs and goes further to examine how far African RTAs have met many of the circumstances and conditions required for a useful RTA through a case study of COMESA. The last section concludes.

[3] It is important to emphasise that the Abuja model of integration shows a marked departure from previous models in that it is no longer a narrow trade agreement (the other issues embedded in the model included long-term development strategy, the eradication of poverty and ignorance, the fostering of democratic principles, *etc* (see African Development Report, 2000).

2. Circumstances and Conditions under which Regional Trade Arrangements (RTAs) are Useful

The rationale for RTAs is drawn from the standard trade theory, which states that free trade is superior to all other trade policies. Both economic theory and a vast body of empirical evidence on RTAs tend to point towards static gains and dynamic gains as the potential economic gains members of RTAs stand to benefit (de Melo *et al*, 1993; de la Torre and Kelly, 1992; Langhammer and Hiemenz, 1990; Robson, 1987; Balassa, 1961). The static gains and dynamic gains are discussed below.

2.1: Static Gains

Static gains result in the form of one-time improvements in allocation of economic resources such as land, labour, capital or natural resources. The static effects have been justified in terms of relative sizes of trade creation and trade diversion. Viner (1950) first made the distinction between the effects of trade creation and trade diversion from RTAs. Trade creation takes place when a member country switches from consumption of goods produced domestically (at relatively high cost) to goods imported from a lower cost firm located in a partner country. In other words, trade is created when an RTA allows a member country A to export more to another member country B by displacing the production of country B's own industries/firms. For example, assuming a domestic textile company is protected by a 50% tariff, sufficient to preclude textile imports; and following introduction of RTA, the tariff on textile from member countries is eliminated. Then, if a second member country can produce textile at a lower cost, trade can be created when the first member country import textile from the second country. Viner (1950) shows that trade creation is welfare enhancing, providing gains on both the supply side and the demand side (Viner, 1950; see also de la Torre and Kelly, 1992; and Balassa, 1961). Supply side benefits accrue from the reallocation of resources away from protected industries and towards firms producing goods for the regional market (assuming full employment), once protection in other member countries is reduced. On the demand side, consumers benefit from being able to buy from the lowest-cost producer in the region.

On the other hand, trade diversion takes place when a member country switches from consumption of lower cost goods imported from outside the region to higher cost goods produced within the region (which face lower tariffs after integration). In simple words, trade diversion happens if partner country production displaces lower cost imports from the rest of the world. Trade diversion is described to be generally welfare reducing (although this may not always be the case). The loss from trade diversion stems from the reduction in government revenue as imports from outside the region (with high tariffs) are replaced by imports from within the region (with lower tariffs). Although there is an offsetting gain because consumers face lower prices (with an increase in consumer surplus), a portion of the price they pay effectively subsidizes producers in other member countries, rather than accruing to the government for reallocation within their own country. This cross-border subsidy represents a decrease in aggregate economic welfare (Ohyama, 1972; Radelet 1999).

The key question about a free trade arrangement is whether the benefits of trade creation exceed the costs of trade diversion. Hence, a free trade arrangement is likely to be seen as beneficial if, on balance, it gives rise to greater trade creation than trade diversion. The possibility of this is likely if member countries of say a custom union have different relative resource endowments or if their consumers have different tastes, so that the member countries have comparative advantages in the export of different commodities (Perkins *et al.,* 2001). For example, to oversimplify greatly, if Nigeria, with comparative advantages in petroleum and cocoa, were to join in an RTA with Senegal, with comparative advantages in fresh fish and vegetables, there is likely to be trade creation and both countries would benefit. But the reality on the whole is that neighbouring developing countries tend to export similar goods. Therefore, three cases are likely to happen. First, imports might displace domestic production (trade creation). Second, preferred imports might displace intra-RTA imports (trade diversion). Third, no RTA member might be producing (or hence, export) the goods and services that the RTA members import-hence there is neither trade creation nor diversion-the RTA does not actually increase trade at all.

Furthermore, the higher the pre-arranged tariffs for member countries of RTA, the more likely it is for the pressure for trade diversion to be great in the aftermath of RTA creation (Meade, 1995). It is also possible for RTA to bring together countries that were previously major trading

partners, and in such circumstances, opportunities for trade creation seems to be more enhanced whilst trade diversion is minimized (Lipsey, 1957). Researchers such as Summers (1991) and Wonnacott and Lutz (1989) have also argued that member countries of RTA can also benefit from the reallocation of factors of production across the borders as long as barriers to capital and labour mobility are removed by the agreement that establishes the RTA. The mobility of factors of production is assumed to lead to more efficient use of resources when there is an expansion from country to regional markets. However, the mobility of factors of production may face natural obstacles or what is called "natural trading bloc" due to transportation costs in the supply expenditure, incomplete information, psychological and sociological costs of displacement (Radelet, 1999).

2.2: Dynamic Gains

Most students of RTAs tend to argue that major benefits derived from RTAs by developing countries are dynamic gains and not static gains. The dynamic gains are about stimulation of investment in production for export and linked industries. Radelet (1999) argues that the dynamic gains from RTAs stem from the impacts on productive capacity and potential output, and the resulting impact on income growth. The first issue to understand on dynamic gains of RTAs is that economies of scale may be achieved by firms/industries in member countries, whose output would be too small if confined to the domestic market, through enlarged and more diversified markets (Langhammer and Hiemenz, 1990; Robson, 1987). Again, Viner (1950) first proposes the significant gains associated with economies of scale in the creation of RTAs and Corden (1972) formalises this theory in terms of the importance of economies of scale to trade and welfare under customs unions. Corden argues that cost reduction effect and enhanced intra-regional trade, resulting from greater internal demand and reduced barriers to trade are expected to provide opportunities for firms/industries to achieve greater economies of scale and reduce output prices as firms operating within RTA capture larger markets for their products both domestically and abroad. Similarly, transportation and communications networks are likely to be cheaper on a per unit basis in the region where RTA exists. Larger markets may also be conducive to spillover effects such as transfers of knowledge from producers to users. Mutual gains can be realised from the joint production of public goods of common interest. For example,

member countries can cooperate in the construction of connecting roads or rail networks, or from joint management of natural resources (Radelet, 1999).

The second issue on dynamic gains of RTAs is that RTAs also increase competition among producers in the member countries, which tend to lead to greater production and marketing efficiencies (Lyakurwa, 1997) and possibly gains from industry restructuring. Large-scale firms that otherwise would monopolise domestic markets at efficient levels of output tend to benefit mostly from increased competition among producers. This is because a large competitive market will induce firms to produce specialized products and thereby sharpening entrepreneurial and managerial performance in all firms. For instance, the European Common Market is thought to have benefited from such intensified competition after its formation. On the other hand, RTAs can also lead to less competition. This may happen either because in some RTAs, member countries earmark control of different sectors to different member countries or because of cartel-like cooperation between firms in the region. A feasible manifestation of increased competition in RTAs is that much of the new trade of member countries tends to be in similar or identical products, which may represent specialization to some extent. The latter, for instance, can happen when one textile firm trims its products to concentrate on the few things it does very well. Since the large portion of trade in similar products may indicate greater competition and possibly a wider range of choice for consumers, the trade creation theory of static gains of RTAs is refuted because the latter argues that nations will benefit only if they export products that are not similar (Baldwin and Venables, 1995).

The third issue to bear in mind on dynamic gains is that RTAs boost greater investment (from both within and outside the region) and result in growth acceleration (Baldwin, 1992). As the size of the market enlarges and internal trade barriers decline, it tends to increase the returns to some factors of production. This could lead to increased capital stock, if we assume that the cost of capital remains unchanged. In turn, this increase in capital stock could lead to a transient acceleration of growth rates as capital accumulation shifts the economy towards a higher growth path (Amponsah, 2001). Furthermore, RTAs may stimulate investment by reducing uncertainty and enhancing policy credibility. In a nutshell, RTAs may attract foreign direct investment (FDI) dependent on the degree to which trade barriers are reduced and on transportation costs (Stevens,

2002). One important thing that readily comes to mind as Baldwin (1997:46) points out is "the effect of a trade arrangement on the region's economic geography", which was hinged on Krugman's (1991)'economic geography' model which attempts to explain the determinants of regional concentration of economic activity. The literature on economic geography tends to suggest that economies of scale and location specific costs can provide justification for regional integration (Baldwin, 1995). In particular, Puga and Venables (1997) argue that agglomeration benefits accrue to firms that are located close to other firms. This is because it is reasonable to expect that as one firm relocates, it provides incentives for other firms to follow in lock step due to externalities generated from such activities. By and large, it is expected that the size of the integrated countries and markets will influence the degree and speed of industrialization.

Some analysts (Radelet, 1999, for instance) have also argued that the dynamic gains of RTAs could be especially large if the RTAs are designed as intermediate steps towards global integration rather than as an end in itself. This is what is termed an infant industry argument: firms/industries can move from being domestically competitive to regionally competitive to globally competitive. This argument assumes that extension of protection to a regional basis will have useful impacts on marketing techniques, quality control and management capabilities. These will enhance the ability of firms/industries to eventually compete globally (Langhammer and Hiemenz, 1990; Krugman, 1984). Another assumption of the argument is that member countries of RTAs will actually be willing to eventually expose firms to world competition (Bhagwati and Panagariya, 1995; Bhagwati, 1992). On the other hand, RTA may obstruct or slow further global integration of its member countries if the latter believe that the regional market in an RTA is large enough to meet their goals or if the principal motivating factor behind RTA's formation is for politically influential firms to grab opportunities created by trade diversion, or to extend their protected market to a regional basis. Grossman and Helpman (1995) suggest that in these circumstances, there may be few political incentives for further global integration. Thus, regional integration is viewed as establishing a long-term dynamic towards more complete global integration, and hence is likely to be beneficial in the long run (Summers, 1991). It is also believed that RTAs are easier to negotiate than full multilateral agreements because they involve fewer members, hence some level of integration can take place more rapidly.

2.3: Other Benefits of RTAs

RTAs may promote policy credibility by "locking in" uniform trade and investment reforms (Whalley, 1996; Baldwin et al., 1997). Whereas individual member nations may do well in embarking on policy reforms, group action can influence all members to abide by a common reform agenda. According to Langhammer and Hiemenz (1990), there are three non-economic benefits member countries may derive from RTAs. The first one is that the RTAs can improve the collective bargaining of member countries. This is because the latter may be better able to demand access to markets (or to withstand demands from non-members for access to the region) or to ensure that their voting power in international forums is increased. The second one is that RTAs may enhance the commitment of member countries to political goals of common interest. Through RTAs, regional dialogue and discussion may increase. This can help prevent conflicts, diffuse potential regional disputes and help reduce tensions and the possibility of war among potentially antagonistic countries, since political support is necessary for the creation of RTAs. Some analysts (See for instance, Mansfield, 1993) have supported this argument by saying that RTAs tend to be viewed as an instrument for fostering diplomacy and regional stability. The third one stems from the fact that membership in RTA entails some loss of sovereignty, which can be either positive or negative. Hence, RTAs can serve as a check on unpopular policy decisions of governments, particularly those in newly independent countries, which might not want to surrender any of their newly acquired power. For instance, member governments of RTA may be co-opted to committing to a schedule of tariff reductions, which might make them abandon some of their national policy options to abide by the regional policy options.

In their own analysis, Schiff and Winters (1998) provide the premise that trade among neighbouring countries provides security directly by raising the level of interaction and trust among the people of those countries, by increasing the stake that each country has in the welfare of its neighbour, or by increasing the access to the neighbors' strategic raw materials. Nevertheless, free trade does not guarantee peace. The justification of RTAs on political ground needs confidence that trade preferences would lead to valuable political rapprochement and that it would not take place if RTA is not established (African Development Bank, 2000).

2.4: Some General Guidelines on Benefits of Regional Trade Arrangements (RTAs)

Some general stylish guidelines about the relationship between the characteristics of RTAs and the possibility of net gains for member nations can be adapted from the canon of trade theory described above since the scope of this paper cannot allow one to prove or disprove all the circumstances and conditions in the context of African RTAs. However, there are circumstances under which the guidelines may not be correct. The guidelines, most of which the rest of this paper would focus on, include the following.

- The larger the share of intra-regional trade in total trade for the member nations before the formation of RTA, the more likely that trade creation will exceed trade diversion (Langhammer, 1992). However, Bhagwati (1992) points out that neighbouring countries may actually have only a small share of their total trade within the region because of elements such as former colonial ties and history, geo-strategic alliances and production complementarity.

- The higher the initial tariffs between partner countries, the greater scope for trade creation.

- The lower the tariffs facing non-members after the formation of RTA, the lesser the potential for detrimental trade diversion, and the great beneficial the RTA.

- If goods produced by member countries are not close substitutes for products previously imported from non-members, trade diversion will be smaller (Bhagwati, 1992).

- The greater the membership, economic size, and share in world trade of RTA, the greater the scope for trade creation, and the smaller the tendency for trade diversion (Langhammer, 1992; Robson, 1987). Moreover, the broader the sectoral coverage of RTA, the greater the likelihood that all member countries will enjoy comparative advantage in some goods.

- The lower the transportation and communication costs among member countries of RTAs, the higher the potential gains from trade creation (Langhammer and Hiemenz, 1990; Balassa, 1961).

- Countries that do not produce similar goods may make better partners because their economies are potentially complementary rather than competitive (de Melo and Panagariya, 1992). A conflicting hypothesis to this argument is that countries with similar income levels and consumer demand patterns may be better able to reap gains from intra-industry specialization and product differentiation (de Melo and Panagariya, 1992). The latter seems to be most pertinent to developed countries since the demand for more specialized products tend to increase with income. To this end, some analysts (McCarthy, 1994; Hazelwood, 1979) have suggested that the economic gains from RTA are likely to accrue more rapidly to richer countries. This implies that industries are likely to be located in the richer countries where the prospects of better transportation and communication infrastructure and better developed financial markets and larger product markets exist.

- Since negotiation and compromise are needed for the formation of RTAs, the greater the history of political harmony between member countries, the better the scope for integration.

3. How far have African RTAs met the circumstances and conditions under which RTAs are useful? With a Case Study of COMESA

3.1: Analysis of African RTAs

Contrary to the design envisaged in the 1980 Lagos Plan of Action and articulated in the 1991 Abuja Treaty, most African sub-regions have more than one RTA and most African countries belong to more than one RTA (Table1). The major reason adduced to this fact is that many of the African RTAs pre-dated the Abuja model and their mandates were not re-adjusted to fit the Abuja model (Oyejide and Njinkeu, 2001). A huge literature on African RTAs exists (See for instance, World Bank, 1991; de la Torrey and Kelley, 1992; Foroutan, 1993 and OECD, 1993). At the last count there are 13 RTAs in Africa. ECOWAS, MRU and UEMOA are RTAs existing in West Africa. In Central Africa, there are CEMAC, CEPGL and ECCAS. In Southern Africa, there are SACU, SADC and COMESA (this straddles the two sub-regions of Eastern and Southern Africa). In East Africa, EAC, IGAD and IOC exist. AMU is the only RTA existing in North Africa. Brief descriptions of the objectives, membership and achievements of these RTAs are presented below (see also Table 1 for the membership of these RTAs).

West African RTAs

Three RTAs exists in West Africa. These include ECOWAS, MRU and UEMOA (See Table 1 for the member countries of the RTAs).

(a) ECOWAS: This RTA, which was formed in 1975 with 16 member countries until Mauritania withdrew its membership in 1999, has the most inclusive membership of the three RTAs in West Africa. It had a population of above 231 million in 1999 with Nigeria standing out with 54% of the region's population. This indicates that the importance of Nigeria in the success of the RTA is vital. ECOWAS started with the expectation of evolving through three stages into a full economic union. Its objectives were to eliminate all tariff and non-tariff restriction on intra-ECOWAS trade, establish a common external tariff and commercial policy against non-ECOWAS countries, abolish all obstacles to the free movement of factors of production, and harmonise the domestic policies across its member countries. By the agreed implementation schedule, total elimination of all trade barriers was expected to take place by the end of 1999. This did not happen. Virtually none of the objectives of ECOWAS has been met. There continues to remain an implementation lag on the part of ECOWAS.

(b) MRU: This RTA was established in 1973 by Sierra Leone and Liberia, with Guinea joining in 1980**.** The three member countries of MRU are also members of ECOWAS. MRU's primary objective was to accelerate economic cooperation among its membership through the formation of a customs union and then an economic union. It has failed to achieve this aim. The RTA has not been able to eliminate tariff and non-tariff barriers against intra-MRU trade and it is yet to establish a common external tariff against non-member countries. The political instability and conflict facing the area this RTA covers for many years has rendered the latter non-functional.

(c) UEMOA: This RTA came into existence in 1994 from the fusion of two older RTAs, WAMU (monetary integration) and CEAO (trade integration). It is comprised of 6 member-countries, which are also members of ECOWAS (Table 1). Concerning trade integration, UEMOA was conceived to progress rapidly through the free trade area and customs union stages

to that of a common market. It appears that there has been a rapid success in the implementation of the trade liberalisation objective of the RTA. In 1998 (only 4 years after its establishment), UEMOA became a free trade area. Within another 2 years (2000), it has established a customs union and adopted a common external tariff.

Central African RTAs

Three RTAs also exists in Central Africa. They include CEMAC, CEPGL and ECCAS (See Table 1 for their member-countries).

(a) CEMAC: This RTA evolved in 1994 as a replacement for UDEAC, which was formed in 1973. It is also comprised of 6 member countries, with Cameroon dominating in terms of population. From the genesis, it was designed to be a custom union. The common external tariff of UDEAC was adopted and reformed under CEMAC in 1994. Two problems associated with this common external tariff are that it covers only import duties and allows its members to adjust trade-related taxes that are not covered by the common external tariff and hence allows countries to vary the protection level offered to their domestic producers.

(b) CEPGL: This RTA was formed in 1976 with Burundi, Rwanda and Congo Democratic Republic as members**.** Its objectives were to remove trade barriers, promote free movement of labour and other factors of production. However, it has not achieved any of its objectives. The member countries are relatively poor and have experienced prolonged political instability for several years. The political uncertainty in the member-countries of CEPGL suggests virtual collapse of the RTA.

(c) ECCAS: ECCAS was formed in 1983 and it is inclusive in membership (11 members) with all the Central African sub-region countries being members (see Table 1). When it was created, it was conceived to become a customs union over a twenty-year period. Within the first 8 years of its creation, it adopted a trade liberalisation objective of gradual tariff reduction and elimination of non-tariff barriers to intra-ECCAS trade in stages. It has, however, not made any significant

progress in this direction. Moreover, large parts of the area covered by ECCAS have been engulfed in prolonged socio-political crisis, which has almost grounded economic integration.

Southern African RTAs

SACU, SADC and COMESA are the RTAs in Southern Africa (see Table 1 for the member countries of the RTAs).

(a) SACU: This is the oldest RTA in Africa and its establishment dated back to 1910 and it is currently operating under agreements reached in 1969. It is comprised of 5 members. It is also the richest RTA scheme in Africa with gross national income per capita standing at $2040 in 1999/2000. However, it is dominated by South Africa, which accounts for about 87 % of the union's population of about 49 million in 1999/2000. It also seems to be the most effective customs union having successfully achieved its objectives of removing all barriers against intra-SACU trade flows and adopted a common external tariff with a common customs organisation in place as well as free movement of factors of production among its member countries. The domination of SACU by South Africa raises concern for the RTA's future. This is because the unilateral trade policy of South Africa in signing bilateral free trade areas with Zimbabwe (1997), Zambia (1999) and the EU (1999) violate a customs union membership, particularly if these agreements have been entered into by South Africa on behalf of the entire membership of SACU.

(b) SADC: SADC was formed in 1992 from SADCC, which was created in 1980, for the primary objective of reducing dependence on South Africa through regional economic integration. Hence, it is comprised of 14 member-countries. It did not accelerate its market integration process until 1996 when it articulated the objective of creating a free trade area within 8 years. Its trade protocol was ratified in 2000 and it is envisaged that its free trade area will be fully established by 2008 with possibility of progressing into a custom union after this. It has shown considerable success in promoting regional development projects, particularly in the areas of transport, communication, environment and industry.

(c) COMESA: As its name suggests, COMESA straddles the two sub-regions of Eastern and Southern Africa. Hence, it is the largest RTA in Africa in terms of population with 21 member countries. It metamorphosed from PTA, which was established in 1981, to COMESA in 1995. It was established to promote trade in the areas of its coverage. Its trade liberalisation objective envisaged a progression from a preferential trade liberalisation through a free trade area and a customs union and finally, to a common market. It intended to create a customs union by removing all barriers against intra-COMESA trade and implementing a common external tariff. Tariffs were to be gradually reduced: reduction by 60% (October 1993); by 70% (October 1994); by 80% (October 1996); by 90% (October 1998) and by 100% (October 2000). The tariff reduction is behind schedule. For instance, only 2 member countries had achieved the target of 80% tariff reduction by 1997 while only 4 member countries had published a tariff reduction level of 90% on intra-COMESA imports by 1999. The free trade area of COMESA was launched in October 2000 with only 13 of its members commencing to operate on a free trade basis with other COMESA member-countries.

East African RTAs

EAC, IGAD and IOC are RTAs existing in East Africa. COMESA also fits in here. However, since it has been explained under southern African RTAs, it will not be repeated here.

(**a) EAC:** The East African Cooperation was formed to replace the East African Community, which collapsed in 1977. The resurrected EAC was formally launched in November 1999 with the signing of its new Treaty, which mandates it to transform from a free trade area (by 2000) to a customs union (by 2003) and then to eventually be transformed into a common market. This would lead to the removal of all barriers against intra-EAC trade as well as the establishment of a common external tariff combined with a common regime of excise duties. However, the trade liberalisation programme of the EAC is already behind schedule since the establishment of a free trade area is yet to be achieved.

(b) IGAD: This RTA came into existence in 1996 for the Horn of African countries. Virtually all its member countries are also members of COMESA. It has been involved with the

implementation of the trade liberalisation objectives of COMESA. However, the latter is not only slow, but many of its member countries are plagued with endemic food insecurity problem and recurrent political instability.

(c) IOC: This RTA was established in 1982, but its secretariat was set up in 1989. It is built around the African island states in the Indian Ocean with Reunion (France) making it the only RTA, which includes a developed country. Its primary objective was to promote regional cooperation in trade and industrial development, which included a programme of tariff reductions. However, the economies of its member countries are too small to allow for economies of scale and the intra-IOC trade is low.

North African RTAs

AMU is the only RTA existing in North Africa. It is comprised of all the countries in North Africa except Egypt and Sudan. It came into being in 1989 with the objective of progressing from a free trade area (by 1992) to a customs union (by 1995) and then to a common market (2000). This objective has not been achieved. In fact, the free trade area is yet to be accomplished. Much of its trade liberalisation objectives have been replicated in bilateral trade agreements, particularly European markets but these have not been fully regionalised.

Generally, as the analysis of the existing 13 African RTAs shows, most of the RTAs have failed to fulfill their objectives, or promote trade/industrialisation, or to result in significant economic gains for member countries. Only SACU and UEMOA are achieving any significant integration of goods markets and showing modest positive impact on intra-regional trade (see also Foroutan, 1993 on SACU). Moreover, as Table 2 shows, the share of intra-trade within 8 major African RTAs presented has either been small, stagnant or has even declined over the twenty-three-year period from 1970 to 1993. ECCAS, UDEAC (now CEMAC), MRU and CEGPL all recorded intra-trade shares of under 5%. This empirical evidence is in concordance with Langhammer and Heimenz (1990), who in their comprehensive survey could find no case in which an RTA made up solely of developing countries had made a significant contribution to trade expansion or

economic development (see also analysis of Ariyo and Raheem, 1991; Roelfson, 1989; Lyakurwa *et al*., 1993; Foroutan 1993; *etc*).

For the purpose of detailed analysis of how African RTAs have been affected by the circumstances and conditions under which RTAs are useful as highlighted in sub-section 2.4, I turn to COMESA as the analytic lens through which the latter will be deconstructed since the scope of this paper cannot allow one to analyse in details all the 13 African RTAs. Moreover, this is partly because its membership spreads across eastern and southern Africa (largest RTA in Africa).

3.2: A Case Study of COMESA

It is important to emphasise that accurate information on the level and composition of trade flow is essential to the analysis of RTAs. However, data sources on intra-African trade seem to be very poor and unsatisfactory because several sources of statistics for assessing the characteristics of African countries' intra-trade seem to have major limitations. For instance, the IMF Direction of trade statistical database provides useful features on the origin and destination of imports and exports for many African countries but it only reports total imports and exports that cannot be used to determine what goods African countries trade with one another-even at very aggregate levels. Likewise the UNSO COMTRADE database, which constitute a very useful source for analysing intra-African trade, have a major deficiency of recording erratic and uneven African countries' trade due to non-reporting of African countries. By and large most of these data sources tend to provide aggregate data for African countries' trade, which will not allow one to disaggregate the analysis of African RTAs for the member countries. Noting these limitations, it is difficult for one to have the "ideal" time-series data that can be used to explore cogently how COMESA has been affected by circumstances and conditions under which an RTA can be beneficial. Nevertheless, in the rest of this paper, I have tried to identify the best available substitute mainly from COMESA website itself during the 1990s and other sources. Naturally, the inadequacy of these data will limit the conclusions that can be drawn from this analysis. Having noted this, I turn to the next subsection.

Intra-Regional Trade in Total Trade for the Member-Countries of COMESA

Tables 3 and 4 in the Appendix show trends of values and intra-trade of individual COMESA country's exports and imports as well as COMESA's exports to and imports from the world between 1991 and 1998. The share of intra-COMESA exports in total COMESA exports increased from 5% in 1991 to 9.1% in 1998 steadily while the share of intra-COMESA imports in total COMESA imports also rose from 3.4% in 1991 to 5.2% in 1997 and declined sharply to 4.7% in 1998. Looking beyond these aggregate figures for COMESA, there are substantial national variations that need attention. What proportion, for example, of the total increase in COMESA exports and COMESA imports does Egypt-an absolutely large member of the group account for? The proportion of Egypt exports in total COMESA exports tend to decrease from 22.4% in 1991 to 16% in 1996 and peaked up to 21.3% in 1998. Moreover, the proportion of Egypt's imports in total COMESA imports rose steadily across the 1991-97 period from 33% in 1991 to 44.2% in 1998. This clearly shows that Egypt has a particularly large share in the exports and imports of COMESA. However, the share of Egypt in intra-COMESA exports and intra-COMESA imports modestly vary from year to year (Tables 3 and 4) suggesting that in spite of Egypt's large share in total COMESA exports and total COMESA imports, it seems as if it has been actively engaged in trade with other countries that are not members of COMESA. The result of course is a failure for the intra-COMESA trade to increase. Furthermore, if we remove Angola and Congo DR from the analysis, given that they were both facing severe civil disorder during the time period, our result will show that the share of intra-COMESA exports in total COMESA exports increased from 6.8% in 1991 to 11.1% in 1998[4]. Similarly, the share of intra-COMESA imports in total COMESA imports, without Angola and Congo DR, rose from 3.7% in 1991 to 5.3% and declined to 4.7% in 1998, suggesting that there was virtually no difference in our earlier analysis with Angola and Congo DR inclusive.

An important issue to note is that whilst Djibouti, Kenya and Zimbabwe tend to dominate intra-COMESA exports, Uganda, Rwanda and Malawi were prominent in intra-COMESA imports. All these countries with Burundi and Zambia seem to be active participants in intra-COMESA trade. Turning to our condition that there should be substantial intra-regional trade prior to the

[4] This is by about 2% increase from the analysis that included Angola and Congo DR during both years.

formation of the RTA, it is evident that COMESA did not meet this condition since it was established in 1995 by inheriting the old PTA. Intra-COMESA trade fluctuated between 4% and 4.6% before the formation of COMESA[5] (Tables 3 and 4). Table 5 presents an interesting perspective on the origins of intra-COMESA trade on the basis of each COMESA country's average 1995-98 export and import values, while similar 1991-94 data are presented for comparison. In the 1993-95 periods, six countries (Kenya, Egypt, Tanzania, Uganda, Zambia and Zimbabwe) originated two-thirds of all intra-COMESA trade and their combined shares decreased by almost 2 percentage points from their 1991-94 levels. The message to be learnt here is that a relatively few countries dominate the exchange of trade within COMESA. In fact, Kenya alone accounted for well above one-fifth of all COMESA trade during both periods. Virtually all the other COMESA countries showed very insignificant share of intra-COMESA trade's concentration. Again, this clearly shows that regional integration has not effectively taken place among COMESA countries.

Membership, Economic Size and other Economic Indicators of COMESA countries

With the exception of Egypt and Uganda, all the other member countries of COMESA are also members of other African RTAs (Table 1). This proliferation or overlapping membership of RTAs has made many analysts (Lyakurwa, 1997; Yeats, 1999) describe African RTAs as the stumbling blocks of their own progress. On economic size being a vital condition for higher trade creation and lower trade diversion, COMESA does not meet this as well. Using GDP as a measure of economic size (see Elbadawi, 1997), the GDP of all the member countries of COMESA increased from $163.2 billion in 1997 to $183.1 billion in 2001 (Table 6). These figures are very small as the GDP of Hong Kong in 1997 was $8 billion higher than the whole of COMESA countries while the GDP of Korea Republic and Indonesia were $313 billion and $53 billion respectively higher than the GDP of all the COMESA countries combined over the same period. With the exception of Sudan, Kenya and Egypt, which recorded substantial GDP in 1997, 1999 and 2001, the GDP of many other COMESA countries were discouragingly low to allow any substantial regional integration or trade creation within COMESA. If we remove the GDP of

[5] Although, in 1980 the intra-PTA trade as a share of its total trade before the creation of PTA in 1981 was 5.7%, this is also too small, as it cannot be compared with intra-European Community (EC) trade as a share of its total trade, which increased from 35% in 1960 to 49% in 1970 and then to 52% in 1981.

Sudan, Egypt and Kenya from the analysis, the GDP of all the other COMESA member countries would turn to $66.4 billion and $62.5 billion in 1999 and 2001 respectively. By the same token, subtracting the GDP of Angola and Congo DR from the analysis will yield $149.8 billion as the GDP of COMESA in 1997. Looking at the GNP/capita of the countries (Table 6), only 5 COMESA countries (Egypt, Mauritius, Seychelles, Namibia and Swaziland) had GNP/capita of at least $1000 over the 1997-2001 period. For the whole COMESA, it fluctuated around $416 and $455. Again, as the GNP/capita of Israel and Korea Republic in 1997 were $11390 and $16710 respectively, that of COMESA as a whole was $416. The average annual GDP growth rates of COMESA countries were also disturbingly low to allow for trade creation (See Table 6 and Figure 2 for growth rates of all African countries). The latter shows that the dynamic effect of growth acceleration was not met by COMESA.

Tariffs of COMESA member-countries

COMESA member-countries and indeed African countries tend to have higher import tariffs than the rest of the world. Table 7 presents 1992-94 average import duties of COMESA countries on broad groups of production equipment and other goods that are often employed as key inputs in agricultural or manufacturing activity. These tariffs reflect additional direct costs a potential exporter within the region (who used these items as inputs) would have to absorb to compete in both regional and non-regional markets. With the exception of Madagascar that recorded average tariffs of 6.1% on all the items shown in Table 7, the average tariffs for each of the other countries were above 10% while countries like Sudan recorded as high as about 60% average tariffs during the same period. Moreover, the average tariffs for all sub-Saharan Africa during the 1992-94 period were about 27% compared with 10% for the fast growing exporters (These include Malaysia, Korea, Singapore, etc) and 6% in OECD countries (See Table 7 and Yeats *et al.*, 1997). The implication of this is that the condition that pre-RTA tariffs should be high was met by COMESA since it came into being in 1995.

It is important to mention that even after the Uruguay Round, tariffs for most African RTAs, which were already high by global standards, have remained relatively unaltered[6]. Since tariffs for COMESA member-countries and indeed African countries are often very high, particularly on the goods described above, domestic producers stand the risk of being placed at a substantial direct cost disadvantage vis-à-vis the fast growing exporters. The high tariffs may also generate substantial indirect costs to the extent that they inflate output prices of sectors like transport or utilities. Finally, the high tariffs on these goods have the potential to be a major obstacle to the expansion of regional agricultural output, which could raise living conditions and income in the region (Yeats, 1999).

Complementarity in Goods

What products are COMESA countries reporting they trade with one another? Any relevant response to this question may be drawn from available UN COMTRADE data, which reports trade by product and by-origin As previously noted, COMTRADE data are available for a limited number of countries which, however, appear to be among the most important African exporters. As observed, the irregular African reporting practices prevent cross-country comparisons for any given specific year; hence I use an aggregate profile of intra-COMESA trade from available information in the 1970s, 1980s and 1990s for this analysis. Table 8 presents summary statistics on the broad composition of COMESA intra-trade along with the share of this exchange classified in 8 broad categories. Closer examination of COMESA data in Table 8 shows that member countries are generally exporters of basic minerals and primary commodities. Table 8 shows that food and feeds are by far the major component of intra-COMESA trade, although considerable variation is evident in their share. In the 1970s, food and feeds accounted for almost 62% of COMESA regional exports, dropped to 31% in 1980s and rose again to 38% in 1990s. Apart from food and fuels, only mineral fuels, agric. Products and other manufactured product group (SITC 6 plus 8) account for fairly high percent of intra-COMESA trade. In fact, only 3 countries (Kenya, Mauritius and Zimbabwe) tend to be atypical of other COMESA countries in terms of manufactures' exportation. This is not surprising as

[6] Even in cases where tariffs have been reduced, scope for trade expansion have been reduced due to limited progress in the removal of other barriers such as barriers to entry, administrative and legal obstacles (Langhammer, 1992)

exports of African countries continue to be highly dependent on primary commodities despite efforts to diversify. For instance, in Sub-Saharan Africa, 29 out of 47 countries depend on three primary commodities to provide at least 50 percent of their export revenues (UNCTAD, 1998).

Furthermore, Table 9 shows the top 4-5 major products exported by individual COMESA countries to the world. It can be deduced from table 9 that a few primary commodities tend to be of key importance to the exports of these countries. Whereas Coffee, Sugar and Honey appear as one of the top 5 global exports of the 8 countries in Table 9, Tea and Mate, Unprocessed Tobacco, Fish, Minerals and Petroleum Products are other primary commodities that tend to be similar to the COMESA countries. Apart from Mauritius, which recorded substantial share of manufacture exports in its top 5 global exports in the 1990s (about 64.1% for Clothing Not of Fur), other countries' global exports were predominantly primary products. In fact, crude petroleum accounted for almost 92% of Angola exports to the world. By and large the analysis so far tends to show that apart from many COMESA member-countries exporting primary products to themselves and the world, their exports seem also to be similar. This empirical evidence indicates that COMESA countries may not be able to make better partners in their RTA since their economies are non-complementary and hence there is a presumption that trade diversion would be large except if additive values are added to their complementary products. Furthermore, this tends to suggest that the participating countries of COMESA do not have substantially different factor endowments, which prevent them from having comparative advantages in the export of different commodities.[7] Therefore, the condition that countries that do not produce similar goods may make better partners because their economies are potentially complementary rather than competitive seem not fulfilled by COMESA.

Transportation and Communication Costs among COMESA Countries

The condition that the lower the transportation and communication costs among member countries of RTAs, the higher the potential gains from trade creation does not seem to be fulfilled by COMESA. Again, one has a major limitation due to absence of "ideal" data to analyse this topic. However, this paper uses the aggregate summary statistics presented in Table

[7] The implication of this is that they have relatively little to trade with one another and hence the non-complementarity problem in COMESA trade cannot be resolved quickly.

10. From Table 10, it can be concluded that COMESA region is not well served by a good network of roads and of railways that are crucial for the movement of goods. Whereas only 11.4% of total COMESA road network is paved or tarred[8], the COMESA railway network consists of 28,510 km of railway lines. Furthermore, the percentage of population using Internet is not up to one in any of the COMESA countries and the telephone average cost of call per 3 minutes is not up to $0.2 in any of the COMESA countries in the 1990s (Table 9). It can be argued that evidently, poor countries like many of COMESA countries are likely to have weak infrastructure than rich countries, and so the absolute level of trade in a rich country or region RTA will often be greater. But what is important is relative as much as absolute infrastructure figures. An RTA with weak infrastructure might still experience a relative increase in trade. What would have been more relevant than aggregate national figures on infrastructure presented in Table 10 would be an indication of whether it supports intra-COMESA trade or is biased towards it? Nevertheless, several analysts ((Langhammer and Hiemenz, 1990) have argued that for many African RTAs, rail, road, and port facilities were designed to strengthen trade ties with the former colonial power and not for trade with neighboring countries in Africa. If the argument of these analysts is tenable, then it is more likely for trade diversion to be higher than trade creation within COMESA. Yeats (1997) has also shown how the inappropriate anti-competitive transport policies adopted by many African countries have inflated their international transport costs which, in turn, adversely influence their export prospects. The conclusion from this general review is that inadequate transport and communication infrastructure is a deterrent to trade flows within COMESA and indeed African RTAs. Therefore, it seems as if the condition that the lower the transportation and communication costs among member countries of RTAs, the higher the potential gains from trade creation is not fulfilled by COMESA.

[8] Mauritius and Comoros are the only COMESA countries with substantial % of paved road (92% and 52% respectively).

4. Conclusion

This paper has comprehensively examined the circumstances and conditions under which RTAs are useful. The paper has also analysed the experience of the 13 existing African RTAs and streamlined this analysis down to one of the RTAs-COMESA to see how far African RTAs have met the conditions and circumstances. Although the data sources employed in the paper are rather poor due to lack of useful time-series data, the paper made some assumptions and through both theoretical and empirical analysis, it is established that African RTAs do not show most of the circumstances and conditions that are normally associated with successful RTAs. The dismal outcome of African RTAs can be attributed to many factors such as low level of share of intra-RTA trade in total trade; dependence on basic minerals and primary products as main exports; low level of structural complementarity of the African economies; multiple, duplicative and overlapping protocols, structures, mandates and membership of the RTAs, leading to inefficient use of resources; recurrent political instability and conflicts; over-ambitious goals and unrealistic time frame for achieving their objectives; and weaker infrastructure and communications linkages amongst others. Even the only condition of high pre-RTA tariffs that was met by African RTAs poses constraints to the expansion of trade in the region. Therefore, it is safe to conclude that formal RTAs in Africa are not likely to ensure greater integration of member countries into the global economy, and hence are doubtful to be beneficial to member countries. Perhaps trade on a MFN basis can be a far more promising option for the region.

If African RTAs want to avoid the problems of the past and achieve potential gains of RTA, the way forward are to lay more emphasis on areas where the RTAs have comparative advantages, reduce the multiplicity of objectives and membership of RTAs; lay more emphasis on policy coordination rather than on trade integration; adapt reforms to each member country's specific economic and social characteristics[9]; priorities and level of development; broaden the objectives of RTAs beyond trade integration to include free movement of people and capital with realistic time-frame; develop infrastructure; redefine the role of state; and harmonise trade policy instruments such as tariff reductions among others.

[9] The advantage of this is that it recognises that countries differ in terms of size, level of development, and the needs and extent of reforms, and hence allows the member countries of RTAs to pursue integration at different paces in a manner that is consistent with the applicable treaties.

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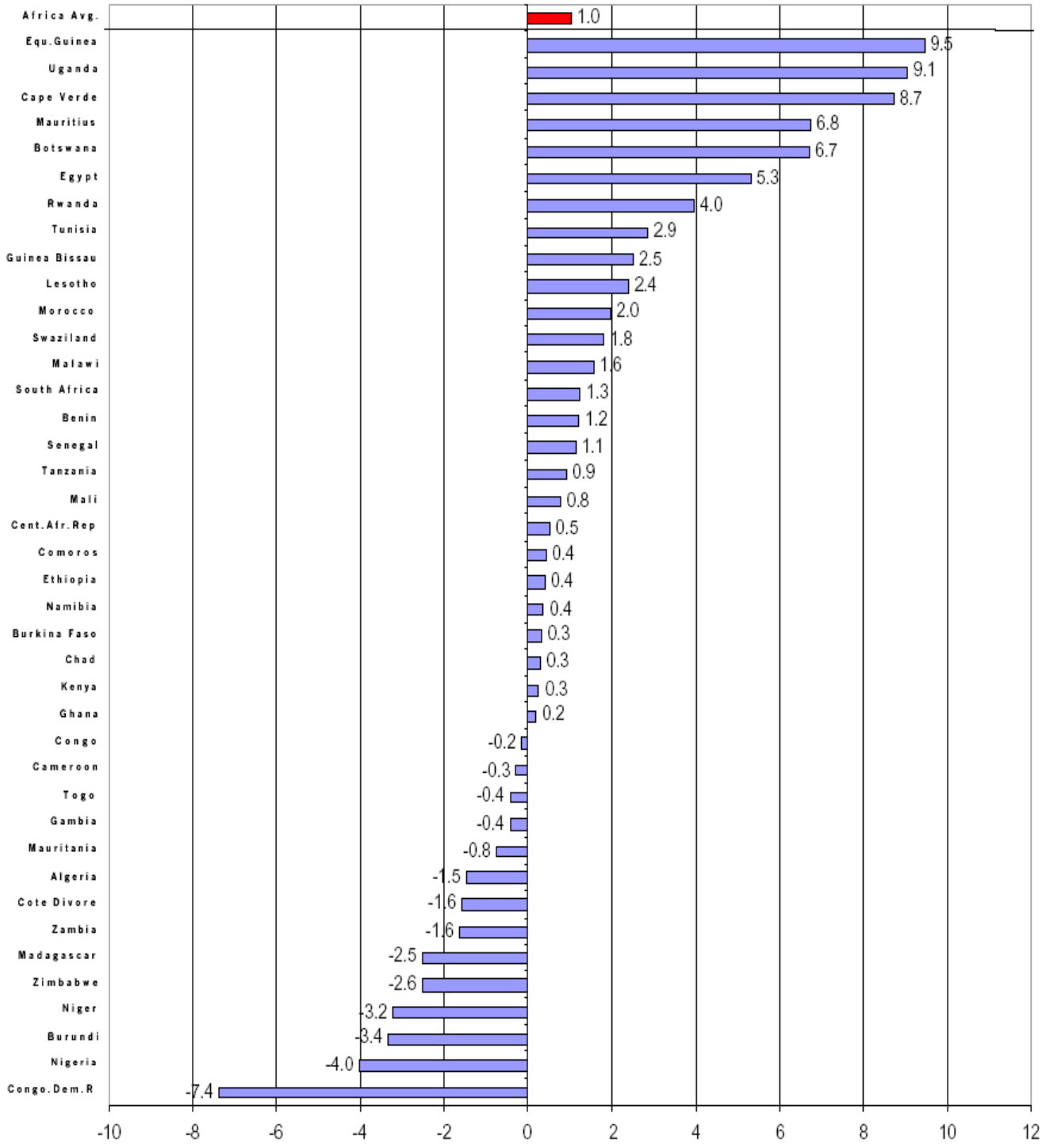
Appendix

Figure 1: Average Annual Growth Rates (%) of African countries (1980-1998)



Source: ECA Economic Report on Africa 1998

Table 1: Summary of Membership of African RTAs													
Member state	**CEPGL**	**CEMAC**	**ECCAS**	**SADC**	**SACU**	**IOC**	**COMESA**	**EAC**	**IGAD**	**AMU**	**MRU**	**UEMOA**	**ECOWAS**
Algeria										X			
Angola			X	X			X						
Benin												X	X
Botswana				X	X								
Burkina Faso *												X	X
Burundi	X		X				X						
Cameroon		X	X										
Cape Verde													X
Central Africa*		X	X										
Chad *		X	X										
Comoros						X	X						
Congo, Dem. Rep	X		X	X			X						
Congo, Rep.		X	X										
Cote d'Ivoire												X	X
Djibouti							X		X				
Egypt							X						
Equatorial Guinea		X	X										
Eritrea							X		X				
Ethiopia *							X		X				
Gabon		X	X										
Gambia													X
Ghana													X
Guinea											X		X
Guinea Bissau											X		X
Kenya							X	X	X				
Lesotho				X	X								
Liberia											X		X
Libya										X			
Madagascar						X	X						
Malawi *				X			X						
Mali *												X	X
Mauritania										X			
Mauritius				X		X	X						
Morocco										X			
Mozambique				X									
Namibia				X	X		X						
Niger *												X	X
Nigeria													X
Rwanda	X		X				X						
Sao Tome			X										
Seychelles				X		X	X						
Senegal												X	X
Sierra Leone											X		X
Somalia													
South Africa				X	X								
Sudan							X						
Swaziland				X	X		X						
Tanzania				X			X						
Togo													X
Tunisia										X			
Uganda *							X						
Zambia *				X			X						
Zimbabwe *				X			X						
*** Indicates land-locked country**													
Source: Author's Compilation													

Table 2: The Value and Share of Intra-Trade in Some African RTAs						
Value of Intra-Regional Trade (in US $Millions)						
RTA	1970	1980	1985	1990	1992	1993
CEPGL	3	2	9	7	12	14
ECCAS	29	98	118	168	156	169
ECOWAS	86	693	1026	1539	1501	1699
MRU	1	7	4	3	1	1
PTA	306	693	407	837	676	746
SADC	100	107	198	356	199	338
UDEAC	22	84	85	139	120	129
UEMOA	54	476	431	625	502	578
Intra-Regional Trade as a Percentage of Total Exports of the RTA (%)						
CEPGL	0.4	0.1	0.8	0.5	0.7	1.1
ECCAS	1.2	1.5	2.1	2.2	2.1	2.5
ECOWAS	3	10.2	5.3	7.9	7.4	8.6
MRU	0.2	0.8	0.4	0.1	0	0
PTA	9.6	12.1	5.5	7.6	6	7
SADC	5.2	5.1	4.7	5.2	4.2	5.1
UDEAC	4.9	1.8	1.9	2.3	2.1	2.1
UEMOA	6.4	9.9	8.7	12	9.3	10.4
Source: Compiled from IMF, Direction of Trade Statistics, Various Issues (Cited in Yeats, 1999)						

Table 3: Value and Share of Intra-Trade in individual COMESA countries' exports, 1991-98

	Value of total COMESA exports (FOB $US million)								Share of intra-COMESA exports in total COMESA exports (%)							
Member State	1991	1992	1993	1994	1995	1996	1997	1998	1991	1992	1993	1994	1995	1996	1997	1998
1 Angola	3,097.00	3,526.00	2,854.00	2,859.00	3,294.00	4,472.00	4,157.70	3,496.00								
2 Burundi	92	74	62	119	104	37	87	106.7	12.0	21.6	27.4	11.8	12.5	21.6		6.6
3 Comoros	28	27	22	18	11	14	11	12								
4 Congo (D.R)	1,600.00	1,486.00	1,012.00	1,273.00	1,535.00	1,470.00	1,043.10	998.2	1.1	0.9	1.0	0.6	0.9	1.6	1.9	3.3
5 Djibouti	95	75	109	118	107	135	143	149.14	23.2	32.0	27.5	28.8	39.3	36.3	37.8	40.2
6 Egypt	3,659.00	3,050.00	3,110.00	3,448.00	3,441.00	3,534.00	3,908.00	4,936.70	1.0	4.4	1.4	1.2	1.2	1.1	1.0	0.9
7 Eritrea	-		15	36	64	81	89	115.5	129.67							
8 Ethiopia *	167	187	239	304	472	460	551.1	585.4	4.8	4.3	5.0	4.9	8.1	6.7	6.5	5.6
9 Kenya	1,014.00	1,337.00	1,275.00	1,677.00	1,933.00	2,141.00	1,947.80	2,385.50	24.7	21.9	33.5	30.0	32.4	32.1	38.2	34.2
10 Madagascar	305	268	253	318	342	624	625.6	678.6	5.6	6.7	0.8	4.4	8.2	5.8	6.7	7.1
11 Malawi *	482	509	416	474	481	573	674.6	684.2	5.2	2.4	3.8	5.7	5.4	7.7	6.8	7.0
12 Mauritius	1,195.00	1,301.00	1,303.00	1,342.00	1,539.00	1,800.00	1,595.30	1,701.07	2.5	2.2	1.3	3.4	3.7	4.4	5.3	5.9
13 Namibia	415	280	289	567	498	405	421	364.33	0.2	0.7	1.0	1.4	2.2	3.2	3.6	4.4
14 Rwanda	91	196	97	55	54	155	100.2	82.8	12.1	0.5			3.7	0.6	2.0	1.2
15 Seychelles	135	124	74	73	92	75	169	189	1.5	1.6				1.3	0.6	0.5
16 Sudan	366	321	349	454	530	487	517.7	521.1	0.8	7.5	3.4	0.4	0.6	4.3	4.4	6.9
17 Swaziland	594	639	685	783	958	887	1,173.54	1,254.90	3.7	5.6	3.1	2.3	2.4	3.8	3.4	3.7
18 Tanzania	413	474	469	525	685	760	715	651	10.9	15.8	14.7	14.3	13.6	14.3	16.6	19.8
19 Uganda *	200	179	179	424	461	604	598.1	414.2	2.5	5.0	5.6	2.8	3.9	2.8	2.5	4.6
20 Zambia *	1,077.00	752	891	758	986	1,039.00	1,177.50	1,262.50	11.4	9.2	5.3	10.8	10.9	17.3	19.0	18.1
21 Zimbabwe *	1,288.00	1,257.00	1,327.00	1,971.00	2,024.00	2,273.00	2,559.60	2,531.30	14.1	11.5	11.9	14.4	15.6	15.7	14.9	17.2
Total	16,313.00	16,077.00	15,051.00	17,624.00	19,628.00	22,034.00	22,291.34	23,134.31	5.0	5.7	5.9	6.7	7.4	7.8	8.5	9.1

* Indicates landlocked country

Source: Author's Calculation from the IMF, Direction of Trade Statistics (updated from COMESA webpage)

Table 4: Value and Share of Intra-Trade in individual COMESA countries' imports, 1991-98

	Value of total COMESA imports (FOB $US million)								Share of intra-COMESA imports in total COMESA imports (%)							
Member State	1991	1992	1993	1994	1995	1996	1997	1998	1991	1992	1993	1994	1995	1996	1997	1998
1 Angola	1,847.00	2,632.00	1,432.00	1,432.00	1,854.00	2,039.00	2,283.00	2,288.70	0.5	0.2	0.3	0.9	0.8	0.9	0.9	1.0
2 Burundi	249.00	225.00	197.00	233.00	233.00	125.00	122.80	196.50	12.0	15.6	14.7	13.3	13.7	13.6	13.0	8.7
3 Comoros	119.00	117.00	106.00	113.00	157.00	164.00	164.00	174.29	4.2	7.7	8.5	10.6	10.2	11.0	11.0	12.6
4 Congo (D.R)	1,029.00	810.00	776.00	946.00	1,317.00	1,330.00	1,292.40	1,238.90	2.1	3.1	3.7	8.0	5.8	7.4	8.4	10.1
5 Djibouti	214.00	476.00	434.00	374.00	419.00	399.00	387.00	436.14	5.1	3.2	3.7	4.3	5.0	6.0	7.0	6.6
6 Egypt	7,862.00	8,291.00	8,188.00	9,452.00	11,739.00	13,019.00	13,168.00	19,862.00	1.4	1.2	1.0	0.9	1.2	1.0	1.1	0.8
7 Eritrea	-	331.00	312.00	396.00	404.00	499.00	587.50	680.33						0.2	0.2	
8 Ethiopia *	472.00	1,265.00	1,149.00	1,121.00	1,379.00	1,485.00	1,409.20	1,371.10	9.3	3.0	5.5	6.5	6.6	7.2	8.3	9.6
9 Kenya	2,178.00	1,835.00	1,744.00	2,785.00	3,688.00	3,690.00	3,246.50	3,577.90	3.3	4.1	2.6	1.7	1.6	1.7	2.1	2.2
10 Madagascar	428.00	453.00	441.00	443.00	525.00	665.00	749.30	875.20	2.8	4.2	0.7	7.9	8.0	8.0	7.9	7.8
11 Malawi *	618.00	727.00	510.00	576.00	615.00	736.00	783.30	889.60	10.7	8.1	12.0	17.2	20.3	26.6	27.3	26.3
12 Mauritius	1,558.00	1,624.00	1,718.00	1,924.00	1,976.00	2,295.00	2,264.30	2,216.70	2.1	2.8	1.7	2.0	2.7	2.3	2.5	2.7
13 Namibia	143.00	164.00	143.00	147.00	189.00	196.00	205.00	212.67	7.0	1.8	2.8	15.6	15.3	17.9	20.0	22.6
14 Rwanda	306.00	288.00	271.00	238.00	283.00	378.00	367.30	328.10	19.0	21.5	22.5	30.3	30.4	27.2	30.5	39.0
15 Seychelles	172.00	192.00	238.00	206.00	241.00	348.00	296.00	350.00	8.1	3.1	2.9	3.9	4.1	3.4	4.4	4.0
16 Sudan	1,401.00	1,299.00	1,176.00	1,145.00	1,289.00	1,350.00	1,499.10	2,025.30	3.9	5.3	5.9	6.5	6.1	6.1	6.3	5.0
17 Swaziland	635.00	780.00	789.00	861.00	989.00	964.00	1,041.00	1,050.00	0.2	0.1	0.1	0.3	0.3	0.5	0.6	0.8
18 Tanzania	1,533.00	1,510.00	1,497.00	1,505.00	1,619.00	1,394.00	1,962.00	2,124.30	4.1	4.1	8.0	11.4	14.0	18.1	13.7	14.1
19 Uganda *	402.00	399.00	457.00	540.00	745.00	723.00	824.70	867.00	14.7	22.3	30.0	31.3	27.8	32.9	31.8	33.0
20 Zambia *	811.00	837.00	702.00	455.00	782.00	834.00	1,069.70	1,176.60	8.1	16.2	11.4	18.0	10.2	15.2	12.6	13.2
21 Zimbabwe *	1,857.00	2,003.00	1,649.00	2,037.00	2,464.00	2,595.00	2,796.10	3,034.50	3.8	2.9	2.7	2.6	2.6	3.6	3.9	4.0
Total	23,834.00	26,258.00	23,929.00	26,929.00	32,907.00	35,228.00	36,518.20	44,975.83	3.4	3.5	3.7	4.4	4.4	4.9	5.2	4.7

*** Indicates landlocked country**

Source: Author's calculation from IMF, Direction of Trade Statistics (updated from COMESA website)

		Table 7: The Origins of Trade (Exports and Imports) in COMESA countries Intra-Trade					
	Member State	1991-94 Av.Trade ($million)	Share of total (%)	Cumulative Share(%)	1995-98 Av.Trade ($million)	Share of total(%)	Cumulative Share(%)
1	Angola	8.3	0.4	0.4	19.5	0.5	0.5
2	Burundi	45.8	2.4	2.8	27.5	0.8	1.3
3	Comoros	8.8	0.5	3.3	18.5	0.5	1.8
4	Congo (D.R)	50.5	2.7	6.0	124.8	3.5	5.3
5	Djibouti	42.0	2.2	8.2	76.8	2.1	7.4
6	Egypt	158.8	8.4	16.5	183.8	5.1	12.6
7	Eritrea	0.0	0.0	16.5	0.5	0.0	12.6
8	Ethiopia *	65.3	3.4	20.0	146.3	4.1	16.7
9	Kenya	428.0	22.5	42.5	784.8	21.9	38.5
10	Madagascar	30.0	1.6	44.1	94.0	2.6	41.1
11	Malawi *	91.3	4.8	48.9	233.3	6.5	47.6
12	Mauritius	67.0	3.5	52.4	135.8	3.8	51.4
13	Namibia	13.5	0.7	53.1	52.0	1.4	52.9
14	Rwanda	66.3	3.5	56.6	108.8	3.0	55.9
15	Seychelles	9.8	0.5	57.1	13.0	0.4	56.3
16	Sudan	77.0	4.1	61.1	110.3	3.1	59.3
17	Swaziland	25.8	1.4	62.5	41.0	1.1	60.5
18	Tanzania	170.3	9.0	71.5	374.3	10.4	70.9
19	Uganda *	122.5	6.4	77.9	265.5	7.4	78.3
20	Zambia *	171.3	9.0	86.9	309.3	8.6	86.9
21	Zimbabwe *	248.8	13.1	100.0	468.8	13.1	100.0
	Total	1900.5	100.0	100.0	3588.5	100.0	100.0
	* Indicates landlocked country						
	Source: Author's Calculation from the IMF, Direction of Trade Statistics (updated from COMESA webpage)						

	Table 6: Economic Indicators for COMESA countries: Selected Years														
		Population(million)			GDP ($US million)			GNP($US million)			GNP/capita ($US)			Av. Ann. GDPgrowth rate(%)	
	Member State	1997	1999	2001	1997	1999	2001	1997	1999	2001	1997	1999	2001	1997-2001	
1	Angola	12	12.8	13.5	7680	6090	9470	6160	5230	6710	510	410	500	4.9	
2	Burundi	6.4	6.7	6.9	957	714	689	924	818	692	140	120	100	1.3	
3	Comoros	0.5	0.5	0.6	212	223	220	232	217	217	450	400	380	1.6	
4	Congo (D.R)	46.8	49.8	52.4	5790	..	..	..	..	..	..	..	..	-2.7	
5	Djibouti	0.6	0.6	0.6	503	536	576	508	528	572	850	850	890	0.8	
6	Egypt	60.4	62.8	65.2	75600	89200	97500	72700	86600	99400	1200	1380	1530	5.1	
7	Eritrea	3.8	4	4.2	649	691	681	842	814	792	220	200	190	1.3	
8	Ethiopia	59.8	62.8	65.8	6380	6480	6370	6440	6530	6770	110	100	100	4.7	
9	Kenya	28	29.4	30.7	10600	10500	10400	9750	10600	10300	350	360	340	1.2	
10	Madagascar	14.1	15.1	16	3550	3720	4570	3590	3720	4170	250	250	260	4.8	
11	Malawi	9.7	10.1	10.5	2530	1810	1830	2110	1970	1780	220	190	170	3.2	
12	Mauritius	1.1	1.2	1.2	4380	4180	4500	4360	4360	4590	3800	3710	3830	5.4	
13	Namibia	1.6	1.7	1.8	3650	3470	3170	3790	3570	3520	2300	2070	1960	4.1	
14	Rwanda	7.9	8.3	8.7	1870	1930	1700	1710	2030	1880	220	240	220	8.2	
15	Seychelles	0.08	0.08	0.08	588	613	..	571	562	..	7390	7020	..	1.7	
16	Sudan	29.3	30.6	31.7	10600	10300	12600	8140	9660	10300	280	320	330	7.1	
17	Swaziland	1	1	1.1	1390	1380	1250	1520	1420	1390	1590	1390	1300	3.1	
18	Tanzania	31.3	32.9	34.5	7680	8460	9120	6590	8300	9200	210	250	270	4.1	
19	Uganda	20.4	21.6	22.8	6300	6410	5710	6450	6800	6290	320	310	280	5.2	
20	Zambia	9.4	9.9	10.3	3910	3130	3650	3530	3200	3340	370	320	320	2.5	
21	Zimbabwe	11.9	12.4	12.8	8430	5490	9060	8090	5850	6160	680	470	480	-1.7	
	Total COMESA	356.08	374.28	391.38	163249	165327	183066	148007	162779	178073	416	435	455	3.1	
	GDP and GNP data were unavailable for Congo (D.R) while Seychelles lack 2001 GDP and GNP data														
	GNP and GNP/capita were calculated using atlas method														
	Source: Compiled from World Development Indicators, World Bank website														

			Table 7: The Average levels of COMESA countries' Tariffs on goods often employed								
			as Production Inputs for Export Products (Unweighted Averages in %), 1992-94								
	Primary Products		Processed Products and Manufactures				Machinery and Equipment subgroups			Professional	All
Country	Agric. Mat.	Crude fertilizers	All Chemicals	Man. fertilizers	Iron &Steel	All Mach.$Equip	Non-Elect Mach.	Elect. Mach.	Trans. Equip	Equipment	Items*
Angola	8.2	9.4	9.2	1.4	8.3	6.6	3.3	17.4	6.2	8.6	11.6
Burundi	35.4	23.3	22.4	15	19.5	21.5	16.4	32.5	24.4	28.4	36.9
Congo DR	15.9	14.2	11.6	10	13.2	14.2	10.7	21.4	17.4	25.2	20.7
Ethiopia	16.5	13.6	15.5	0	5.7	14.3	9	27.2	14.6	21.8	29.6
Kenya	33.2	27.7	30.5	0	23.8	25.9	23.4	32.1	25.4	33.1	43.7
Madagascar	0.9	0.4	0.8	0	4.2	7.5	8.2	6.6	6.1	8.4	6.1
Malawi	3.9	0.3	9.7	0	9.3	15	13	23.8	7.8	18.3	15.2
Mauritius	5.8	1.5	13.6	0	10.4	31.5	20.1	57.9	34.8	44.5	27.6
Sudan	50.3	38.3	31.4	10	53.5	42.1	36.4	57.6	39.3	59.5	56.6
Tanzania	29.6	22.5	22.2	0	24	20.7	19.5	27.5	13.7	20.4	29.8
Uganda	26.1	10	12.3	10.3	12.7	14.9	11.6	17.8	14.3	16.3	17.1
Zambia	25.1	17.5	20.3	7.1	16.2	19.6	14.4	33.4	17.4	28.5	29.9
Zimbabwe	1.4	0.2	3.7	0.6	6.1	7.6	4.3	15.4	7.8	10.3	10.1
All SSA	23.6	17	19.8	5.1	19.4	19.8	16.9	28.5	18.9	26.5	26.7
LIAFRICA	24.5	18.7	21.1	5	20.4	20.2	17.6	28.7	19.3	26.8	28.5
FGE	7.3	4.7	8.2	5.3	6.7	10	8.4	13.4	9.7	10.2	10.8
	Note: * indicates all imports and not just the production and intermediate input products										
	All SSA = All sub-Saharan Africa; LIAFRICA = Low income Africa; FGE = Fast Growing Exporters										
	Source: Compiled from Yeats (1999)p. 145										

Table 12: The Export Structure of selected COMESA countries in Africa by Major Product Categories: Selected Years										
Country	Year	Exports to Africa ($000	Share of Product Group in total exports (%)							
			Food/Feeds	Agric.Products	Mineral fuels	Ores/metals	chemicals	Other manufactures	Machine/transport	Misc goods
Angola	1,971	19,934	72	2	0	3	3	19	2	0
	1,981	11,154	4	2	86	1	0	3	0	4
	1,991	38,089	0	0	100	0	0	0	0	0
Djibouti	1,986	2,104	55	0	2	0	0	6	26	10
	1,989	1,563	53	1	0	0	3	5	30	9
	1,992	1,260	33	18	0	0	0	21	22	6
Ethiopia	1,973	20,062	72	11	8	3	0	6	1	0
	1,983	34,038	40	41	16	2	0	1	0	0
	1,993	27,079	24	68	8	0	0	0	0	0
Kenya	1,973	44,202	19	2	34	0	14	27	2	0
	1,983	238,996	21	0	49	2	10	16	2	0
	1,993	378,728	21	1	17	3	12	44	2	0
Madagascar	1,974	8,712	73	0	9	1	1	14	3	0
	1,984	2,735	41	4	1	4	4	8	38	0
	1,994	9,181	38	6	4	5	1	43	1	4
Mauritius	1,974	11,291	96	0	0	0	2	2	1	0
	1,994	50,378	17	1	0	0	8	67	8	0
Seychelles	1,974	105	39	0	0	59	0	2	0	0
	1,984	2,456	3	0	94	0	2	0	1	0
	1,994	342	99	1	0	0	0	0	0	0
Zimbabwe	1,984	93,094	34	0	14	2	14	25	10	1
	1,990	247,640	49	0	4	2	6	24	13	1
	1,994	294,075	61	1	4	2	7	17	7	1
All above	1970s	104,306	62	3	9	11	3	12	1	0
	1980s	386,140	31	6	33	1	4	8	13	3
	1990s	1,046,772	38	11	15	1	4	24	6	1
Source: Compiled from UN COMTRADE statistics, Yeats (1999), p.63 and author's calculation										

Table 9: Top 4-5 Three-Digit SITC Products of Individual COMESA Countries Global Exports in the 1990s					
	Total World Exports			Total World Exports	
Country/Product (SITC)	Value ($000)	Share of Country	Country/Product (SITC)	Value ($000)	Share of Country
Angola		Exports (%)	**Mauritius**		Exports (%)
Crude Petroleum (331)	3120909	91.8	Clothing Not of Fur (841)	718547	64.1
Natural Abrasives (275)	165270	4.9	Sugar and Honey (061)	322283	28.8
Petroleum Products (332)	61432	1.8	Preserved Fish (032)	28007	2.5
Natural Gas (341)	51102	1.5	Woven Cotton Fabrics (652)	26166	2.3
Total	3398713		Pearls and Precious Stones (667)	25468	2.3
Djibouti			Total	1120471	
Mail Not Classified by Kind (911)	9110	74.9	**Malawi**		
Coffee (071)	1773	14.6	Unmanufactured tobacco (121)	362883	81.5
Rice (042)	585	4.8	Tea and Mate (074)	35577	8
Special Transactions (931)	377	3.1	Sugar and Honey (061)	26286	5.9
Live Animals (001)	326	2.7	Cotton (012)	11042	2.5
Total	12171		Coffee (071)	9267	2.1
Ethiopia			Total	445055	
Coffee (071)	129177	66.5	**Zimbabwe**		
Hides and Skins (211)	32698	16.8	Unmanufactured Tobacco (121)	649005	59.7
Crude Vegetable Materials (292)	19600	10.1	Maize Unmilled (044)	146223	13.4
Petroleum Products (332)	8020	4.1	Pig Iron (671)	115164	10.6
Sugar and Honey (061)	4883	2.5	Sugar and Honey (061)	96704	8.9
Total	194378		Nickel (683)	80533	7.4
Kenya			Total	1087629	
Tea and Mate (074)	336867	41.7			
Coffee (071)	194830	24.1			
Petroleum Products (332)	128527	15.9			
Gold and Silver Ware (897)	84550	10.5			
Crude Vegetable Materials (292)	63998	7.9			
Total	808772				
Madagascar					
Coffee (071)	79027	34.4			
Spices (075)	67748	29.4			
Fresh Fish (031)	60744	26.4			
Sugar and Honey (061)	13227	5.7			
Printed Matter (892)	9309	4			
	230055				
Source: Author's Computation from Available UN COMTRADE Statistics					

Table 10: Transportation and Communication Indicators of COMESA countries in 1990s						
Country	**Total network road (km)**	**% Paved road**	**Railway route (km)**	**% of population using internet**	**Telephone av. cost of local call($US per 3 mins)**	**Personal computers (per 1000 people)**
Angola	47019	18	2776	0.11	0.09	0.9
Burundi	6288	16	..	0.03	0.03	..
Comoros	936	52	..	0.16	0.16	3.19
Djibouti	2800	14	231	0.14	0.19	9.15
Ethiopia	35000	27	1300	0.01	0.02	0.76
Kenya	55000	11	2735.4	0.16	0.05	3.78
Madagascar	50000	10	..	0.05	0.08	1.76
Malawi	11651	18	863	0.1	0.02	0.99
Mauritius	1800	92	..	0.95	0.04	89.83
Namibia	42500	10	2340	0.55	0.04	26.59
Rwanda	12385	8	..	0.03	0.04	..
Sudan	4500	13	4689	0.03	0.02	2.31
Swaziland	2821	24	300	0.28	0.08	..
Tanzania	85500	4	3700	0.11	0.09	2.15
Uganda	27037	6	1286	0.1	0.16	2.15
Zambia	35000	15	1691	0.1	0.07	6.93
Zimbabwe	98521	13	4304	0.27	0.03	11.5
Source: Compiled from COMESA website, World Development Indicators and Sussman (2001)						