The East African Community WTO Trade Policy Review This Week!

By:

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This week, the WTO members of the East African Community, EAC, are undergoing a Trade Policy Review, (TPR), in Geneva. Of the six EAC members, only South Sudan is not a member of the WTO. South Sudan made a request to accede to the WTO in 2017 and this week, there is a meeting of the Working Party on South Sudan's Accession to the WTO. Trade Policy Reviews, which are required in WTO agreements, periodically examine and evaluate member countries' trade and related policies. You can find a treasure trove of all the documents prepared by EAC member states as well as by the Secretariat here. The minutes from the meeting as well as the questions and answers provided will be available in about six weeks. Here are some noteworthy issues. On the EAC's external trade position from the report it prepared for the TPR:

The EAC recorded a drop in its export to the rest of the world from USD 13.6 billion in 2016 to about USD 11.8 billion in 2017. This is against a backdrop of negative trade trends over the past three years from USD 16.1 billion recorded in 2014. The EAC's import from the rest of the world has equally dropped since

2015 from USD 34.1 billion to USD 29.7 billion in 2017. However, the region's trade deficit remains high due to substantial net imports of manufactured goods (97% of the EAC trade deficits), despite the positive contribution from net exports of mineral products such as ores and metals.

With regard to trade in services, the EAC reports that:

Within the framework of WTO General Agreement on Trade in Services, the EAC countries made specific commitments across 11 sectors, namely, business services; communication; tourism; transport; financial; education; environment; recreational, cultural and sporting; health; distribution and construction; and related engineering services. Tourism services is the only common sector committed by all EAC countries. At the EAC level, EAC countries have concluded negotiations in seven sectors, namely: business; communication; distribution; financial; tourism and transport, where they have made deeper commitments to open their markets further than at the WTO GATS level to facilitate the implementation of the common market.

In terms of constraints, the EAC reports that:

The region is still faced with a daunting challenge of addressing socio-economic constraints including: disease and poverty. This will be achieved through promotion of regional value chains, proper land use, massive investment in agro-processing and manufacturing, as well as sound macroeconomic management.

Little however is said of the recent troubles between Burundi and Rwanda that have hobbled the proper function of the EAC, or the skirmishes between Uganda and Rwanda that have led to border closures effectively stopping any trade between the countries. Those issues are likely to arise in the question and answer sessions, but we will not know for another six weeks until we see the minutes of the TPR meetings. The report of the Secretariat is worth a glance as well. There is a summary of it too. It notes that the EAC members have not harmonized their IP, export and tax regimes as well as fees on some services and documents issued by Customs. The same applies to standards and regulations. It notes that the EAC has not fully tapped their services sector and that the Common External Tariff increased slightly. In all, the documents for the EAC 2019 TPR provide a lot of information for all of us interested in trade policy.

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