



## REGIONAL MIGHT IS KEY

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Republikein, Tuesday 12 march 2002,  
<http://www.republikein.com.na/archive/Maart2002/Dinsdag1203/regional%20might.htm>

Addis Ababa - The creation of an African economic union, a project that is fraught with difficulties, depends on the strengthening of existing regional economic communities, according to a report by the UN Economic Commission for Africa.

Issued after two years of analysis and assessment, the commission's report said the regional bodies had achieved some successes, but they had generally not met the goals of increased production and regional trade.

"They have been caught up in the downdraft of Africa's shrinking economies and the low global trade," the report said.

It was presented to the annual African Development Forum, which ended a week of discussions last Friday on Africa's economic and political integration.

There is growing realisation that regional integration is indispensable to the growth of African economies. The regional economic communities are expected to evolve into free trade zones, customs unions and eventually culminate in a continental common market.

The 1991 Abuja treaty calls for a six-stage approach lasting 34 years, from 1994, to form the African Economic Community. The first stage involves the phased elimination of tariffs within the regional communities.

The second would be the elimination of non-tariff barriers and the creation of a common external tariff, forming a customs union.

Deeper reforms would provide for free movement of goods with the wider community and freedom of movement of capital and labour, thus forming the common market.

There are 14 regional economic communities in Africa, only seven of which appear capable of managing the integration process, the report said.

Under the treaty, they are all expected to form free trade areas by 2017, a goal the report finds less than realistic.

"Despite political declarations, the complex institutional arrangements and the protracted efforts of governments, they [the regional communities] have produced very limited results," the report said, adding that there has been neither accelerated growth nor a marked trade increase.

The report says the regional economic groups have ambitious mandates but few resources.

The 14-member Southern Africa Development Community has been the most successful in increasing trade among members, largely because of South Africa, whose economy alone accounts for 40 percent economic activity on the entire African continent.

The conference urged governments on Friday to sacrifice some of their sovereignty to forge a strong new African Union to succeed the much-criticised Organisation of African Unity.

The forum called for closer integration to fight poverty, despite scepticism from some delegates that African governments have the political will to make the African Union work.

"Integration requires governments to forgo some of their sovereign powers, in both the political and economic spheres, in order to achieve a more prosperous stable, democratic and powerful African collectivity," according to a statement issued at the end of the five-day conference.

Government officials, business leaders, academics and civic groups participating in the forum urged African countries to remove restrictions on travel for each other's citizens and adopt regional passports as a stepping stone to common African citizenship and an African passport.

The African Union aims to replicate the success of the European Union in cementing prosperity and democracy through regional integration. - Reuters and Sapa-AP