


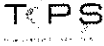
**INTRA-SADC TRADE PERFORMANCE UNDER THE IMPLEMENTATION OF PROTOCOL ON TRADE**

MAPUTO: 23 -25 April 2008  
 Presenter: Mmatlou Kalaba

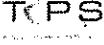

**SADRNI**  
 SOUTHERN AFRICAN DEVELOPMENT RESEARCH NETWORK

**INTRODUCTION**

- \* SADC FTA to be launched this year
- \* SADC Trade Protocol and Implementation
- \* RISDP – strategic document
- \* Objectives of STP
  - \* FTA by 2008
  - \* CU by 2010
  - \* Common markets by 2015
  - \* Macroeconomic Convergence targets




- \* According to RISDP, in order to achieve the set goals, SADC will:
  - Eliminate tariffs,
  - Eliminate non tariff barriers,
  - Adopt common rules of origin,
  - Harmonise customs rules and procedures,
  - Harmonise SPS measures,
  - Attain internationally acceptable SQAM and
  - Liberalize trade in services



**OBJECTIVES**

- \* Evaluate Intra-SADC trade performance focusing specifically on export side;
  - \* Evaluating intra-SADC export Share
  - \* Comparing intra-SADC share with other RTAs
  - \* Examining intra-country Share
- \* Period: 2000 - 2006



### DATA

- \* SADC trade database is the main source
- \* However, there are serious challenges regarding data availability
  - DRC and Angola do not report
  - Zimbabwe data is hardly reliable beyond 2004
  - Intra-SACU data is not reported by SA
- \* Implications: Intra-SADC trade will be undermined by those
- \* Solutions: Mirror data for those missing points

**TPS**  
Trade Policy Studies

### SADC EXPORTS

Intra-SADC and Total Exports

2002-03 is the important period in SADC political calendar

- Exports to World increase faster than to SADC
- Factors: Commodity prices, DRC and Angola

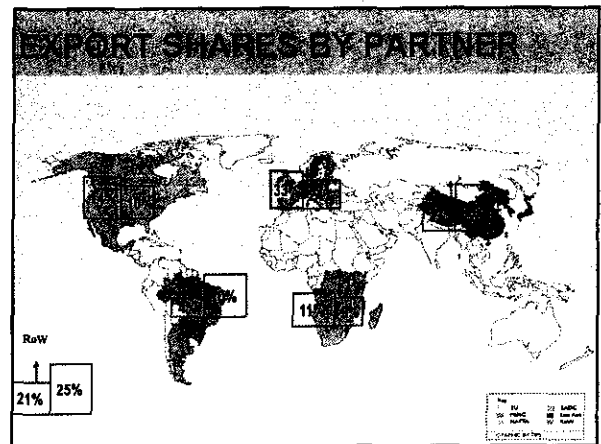
**TPS**  
Trade Policy Studies

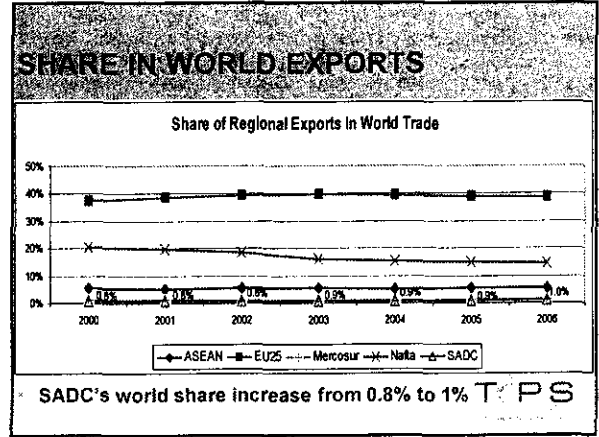
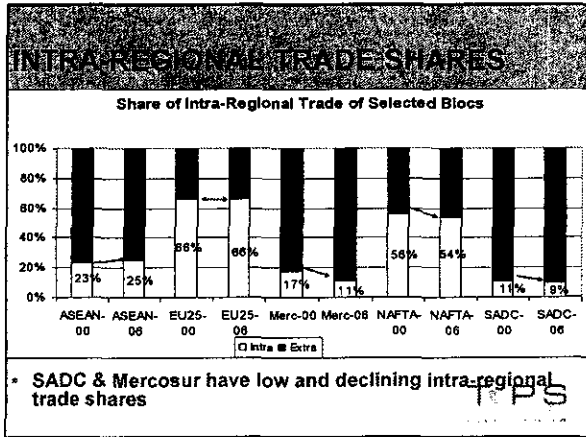
### EXPORTS

No	Products	Value (US\$ bn)	Share of products	Products	Value (US\$ bn)	Share of products
	<b>Total</b>	<b>51.3</b>	<b>100.0%</b>	<b>Total</b>	<b>113.5</b>	<b>100.0%</b>
1	Mineral fuels and oils	10.5	20.3%	Mineral fuels and oils	37.4	32.9%
2	Pearls and precious metals	9.8	19.2%	Pearls and precious metals	21.9	19.3%
3	Iron and steel	3.6	7.1%	Iron and steel	8.8	6.0%
4	Vehicles	1.9	3.7%	Vehicles	5.0	4.4%
5	Machinery	1.8	3.5%	Machinery	4.9	4.3%
	Others	23.7	46.2%	Others	78.0	32.5%

- \* Implementation of STP has not enhanced top exports
- \* Exports are more concentrated

**TPS**  
Trade Policy Studies

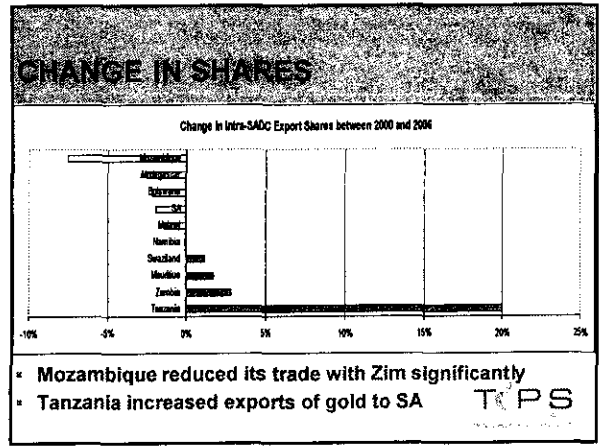




### INTRAREGIONAL COUNTRY SHARE MATRIX

Share (%)	Alm	Bur	DRC	Les	Mali	Moz	Moz	Nam	SA	Swi	Tan	Zim	Zim	SADC
Botswana	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
Burkina Faso	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
DRC	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
Lesotho	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
Mali	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
Mozambique	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
Namibia	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
SA	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
Switzerland	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
Tanzania	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
Zimbabwe	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%

\* Malawi, Mozambique, Namibia, Swaziland and Zambia have high shares  
 \* More 70% of Intra trade is with SA  
 \* Trade with Zim is being reduced significantly  
 TIPS



## CAUSES OF LOW INTRA-SADC TRADE

- Rise in Commodity Prices
- Recovery of Angola and DRC, and their trade partners
- Lack of complementarity between member states
- Mineral based projects and other EPZ
- Prohibitive RoO
- Inappropriate signals by members
- Weaknesses in manufacturing, supply side response and infrastructure

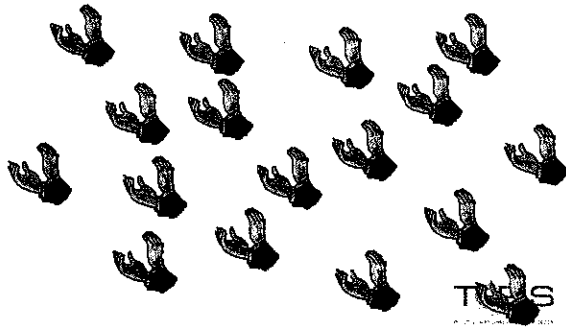
TIPS  
Trade Information and Policy Support

## CONCLUSIONS

- Implementation of the trade protocol has actually resulted in low intra-SADC trade shares
- The drivers of this trend are hardly related to the STP implementation
- Other objectives of the STP that may have impact have not realized enough progress, e.g. RoO, SPS and policy issues
- Countries which were back loading have not applied their phased down schedules
- For FTA to be implemented, trade facilitation must be fast tracked, industrial development must be prioritised and enforcement mechanisms must be designed

TIPS  
Trade Information and Policy Support

## MULTI-CRITICAL



TIPS  
Trade Information and Policy Support