SADC-EU Trade Relations in a Post Lomé World

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Acronyms

ACP	Africa, Caribbean, Pacific
ASEAN	Association of South East Asian Nations
ATA	Alternative Trading Arrangements (REPAs and other alternatives to Lomé
BLNS	Botswana, Lesotho, Namibia, Swaziland
CAP	Common Agricultural Policy
CARICOM	Caribbean Common Market
CBI	Cross Border Initiative
COMESA	Common Market for Eastern and Southern Africa
CU	Customs Union
EAC	East African Cooperation
EC	European Commission
ERA	Enhanced Regional Agreement
EU	European Union
FTA	Free Trade Area
GSP	Generalised System of Preferences
IOC	Indian Ocean Commission
LLDC	Least Developed Countries
MERCOSUR	Mercado Común del Sur
MFA	Multi-Fibre Arrangement
MFN	Most-Favoured Nation
NAFTA	North American Free Trade Area
NTB	Non-Tariff Barrier
REPA	Regional Economic Partnership Agreement
SAARC	South Asian Agreement on Regional Cooperation
SACU	Southern African Customs Union
SADC	Southern African Development Community
SIDS	Small Island Developing States
SPS	Sanitary and Phyto-sanitary
WCO	World Customs Organisation
WTO	World Trade Organization

Trade policy terms (see also Appendix 1)

Trade creation	Increased trade in a region when lowering of tariffs leads to substitution of imports from regional partners for home production.
Trade deflection	Imports from outside an FTA into a high-tariff member made through a low tariff member to evade the tariffs.
Trade diversion	Increased trade in a region when lowering of internal tariffs relative to external tariffs leads to substitution of imports from within the region for imports from outside.

Negotiating Guidelines and Summary

Figure 1: Schematic diagram of trade negotiating process

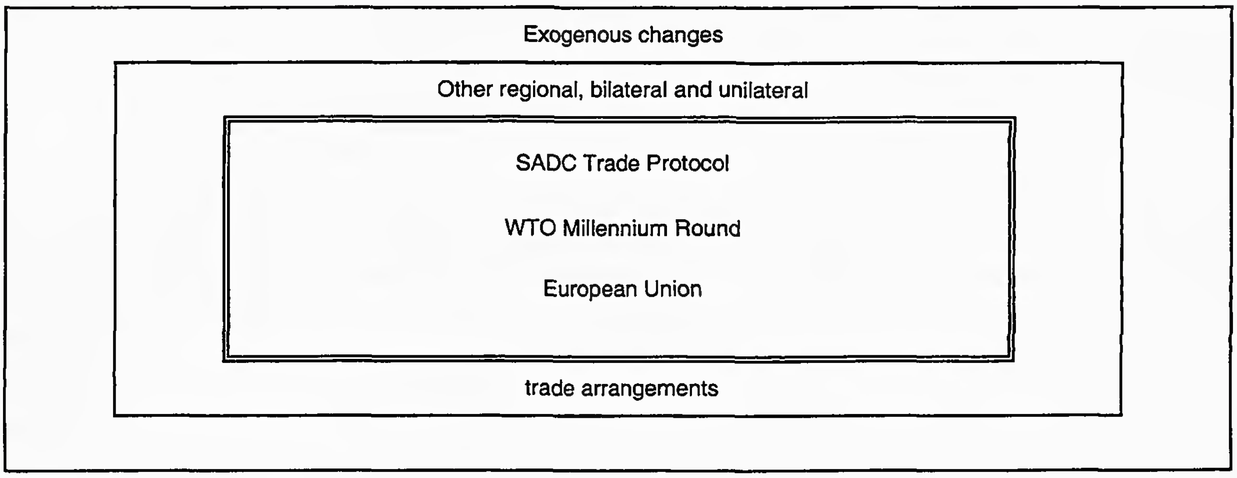

Figure 2: Phasing of parallel trade negotiations

	SADC trade protocol		WTO Round		SADC EU		Known external factors
	Expected	Alternative	Expected	Alternative	EU timetable	Alternative	
1999	Negotiation and ratification	Failure to agree or to ratify			ACP (incl SADC) agrees formally to REPA concept	Some countries or regions decline to endorse REPAs	
2000	Implementation commences	Further negotiations	Start of full Millennium Round	Limited Round, Agriculture and Services	EU obtains WTO waiver to 2005	ACP obtains WTO waiver to 2005 or 2010	EU-S.Africa implementation begins CAP reform. COMESA tariff reductions completed
2001							
2002							
2003				Limited Round concluded			End of Agricultural 'Peace Clause'
2004					Finalisation of REPAs	Achieve ATA or lobby for enhanced, Lomé-equivalent GSP	GSP to be renegotiated MFA ends
2005			Millennium Round finishes	Full Round commences	REPA implementiation commences	Use LLDCs for access to EU if GSP not adequate	All Uruguay Round agreements fully implemented
2006	Negotiations about sensitive products		Implementation begins				
2007							
2008	Implementation completed						
2009		Planning of CU					
2010				Full Round ends			EU completes implementation of EU-S.Africa
2011			Implementation completed	Full Round implementation begins			
2012							S.Africa completes implementation of EU-S.Africa
2013							
2014							
2015				Full Round implementation completed	REPA implementation completed		2005 GSP expires

Table 1: Negotiations in WTO Millennium Round

	Principal strategy		Fall-back position
Objectives	Agriculture:	liberalisation of developed country markets. liberalisation of developing countries only after completion of reform in developed. long transition periods for ending of protocols.	Support limited Round Same objectives for Agriculture, Services, Tariffs.
	Services:	greater liberalisation by developed than developing. preferences for developing. freedom from binding for developing. clearer provisions for regional discrimination	
	Tariffs:	reduction on labour intensive products, especially where there are peaks (eg clothing, footwear, leather). bind SADC countries' tariffs at existing levels + 10%.	
	GSP:	bind developed country GSPs. Agreement that GSP can be tiered by income or other agreed index. Secure minimum level and coverage of preference.	GSP: Agreement on tiered GSP.
	LLDC:	bind special treatment offered to Least Developed. 0 tariffs for all developed countries on LLDC exports.	
	Rules:	add preferential rules of origin to the negotiations to standardise non-preferential rules.	
	Environment:	use environmental arguments for trade liberalisation.	
	Regions:	clarify and strengthen role for regions in negotiations. increase allowed transition period from 10 years. consider how to reconcile reciprocity and preferences.	
Negotiating tactics	Negotiate as SADC where possible. Choose allies *ad hoc*, including by level of development, sector, regions.		Coordinate SADC country positions.

Table 2: Negotiations with the EU

	Principal strategy	Fall-back position
ATA: Alternative Trading Arrangement with EU		
Objectives	At least present access on goods, probably through an enhanced and extended GSP. Preferences on services where EU not committed to MFN. Preferences in other areas where no WTO or other international regime: investment. labour. standards. Harmonisation of customs procedures. Compensation through aid for loss of income from protocols (WTO reform or CAP reform). Compensation through aid for loss of preferences (through GSP extension).	At least present access on goods, probably through an enhanced and extended GSP. Preferences on services where EU not committed to MFN. Harmonisation of customs procedures. Compensation through aid for loss of income from protocols (WTO reform or CAP reform). Or go to REPA.
Negotiating tactics	Negotiate with all of ACP countries (results can be differentiated); all reject REPAs.	Coordinate with other ACP, especially other least developed.
REPA: Regional Economic Partnership Agreement with EU		
Objectives	Same access for all SADC countries, which should be no worse than the entitlement of the Least Developed (EU-S.Africa to be merged into REPA). Some improvement on current Lomé access for all. Appropriate exceptions for sensitive products, at least including all excluded from SADC Trade Protocol. Differentiated timing of liberalisation to the EU according to stage of development and current tariffs. SADC agricultural liberalisation to be linked to removal of EU subsidies under CAP. Lomé rules of origin, including cumulation with other ACP countries signing REPAs. Compensation through aid for any loss from CAP reform or removal of protocols. Compensation through aid for cost of fiscal reform because of removal of tariffs. Dispute settlement mechanism. Inclusion of services. Implement all liberalisation agreed with EU on an MFN basis if calculations of effect of REPA show trade diversion.	REPA for non-least developed SADC only, without differentiation between SACU and others; least developed retain special access. At least present access on goods, probably through an enhanced and extended GSP. Exceptions for sensitive products. Agricultural liberalisation linked to removal of subsidies. Harmonisation of customs procedures. Lomé rules of origin, including cumulation with least developed members of SADC. Compensation through aid for loss of income from protocols (WTO reform or CAP reform). Preferences on services where EU not committed to MFN. Or go to No EU deal.

Negotiating tactics	Negotiate in parallel with other ACP regions to secure parallel agreements. Negotiate with other non-ACP regions for reform in adjustment period allowed by WTO and in provisions for non-trade regional preferences.	Coordinate with other least developed and with other non-least developed in ACP.
	No EU deal	
Objectives	Enhanced GSP, to equivalent of present Lomé access, by all developed countries. Full 0 tariff access to all developed countries for least developed. Bind GSP and least developed access under WTO. All WTO negotiating objectives.	Bind GSP and least developed under WTO. WTO fall back objectives.
Negotiating tactics	Agree joint withdrawal from negotiations with other ACP countries. Negotiate jointly with other least developed and other non-least developed in WTO.	Negotiate enhanced GSP from EU to give access equivalent to what any other ACP countries gain under REPAs. Negotiate jointly with non-ACP countries in WTO to tighten rules on regions.

Table 3: Coordinated Negotiations with EU and WTO: 'Enhanced Regional Agreement'

	EU	WTO
Trade	Reciprocity, but pace and extent of liberalisation by each SADC state determined by: Level of development Performance on poverty targets Liberalisation also conditional on, and related to, benchmarks in reform of CAP.	Negotiate modification of Article XXIV to permit this form of staging, with support from EU and other ACP regions. To avoid trade diversion, offer in WTO to liberalise to rest of world at same pace Negotiate timetable for agricultural reform.
Rules of origin	Simpler rules than under Lomé designed to facilitate cumulation and therefore regional integration	Negotiate for agreement on common preferential rules of origin, at least as good as Lomé rules.
Enforcement	Disputes procedure similar to that in WTO.	
Aid component	EU aid programmes used to assist countries to: meet poverty targets enhance trade capabilities and export diversification offset loss of commodity protocols	

Box 1: To prepare for all negotiations

The first step is to identify what SADC and its members' objectives are, the priorities among them, how external trade policy can contribute to them, and then what needs to be achieved in each negotiation to produce an external trade regime at least consistent with, and where possible contributing to, development objectives.

An essential input to this is improving data on trade and making them regionally consistent, then extending this to services, and to subsidies and taxes and national regulations relevant to trade.

Mechanisms are needed in each country to ensure that all government departments involved in any of the areas now or potentially under international negotiation are aware of the issues, and that there is a coordinating mechanism (committee; centralised information) which will not only achieve the initial task of coordination, but provide a continuing process of adapting national positions and responses to new issues. Those involved include not only trade, foreign affairs, and customs, but (and this is not an exhaustive list) finance (revenue impacts of reduced tariffs), agriculture and industry (strategies to identify and take advantage of new opportunities emerging from trade negotiations and to assist the adjustment of sectors adversely affected), transport, communications, etc. (trade in services), law (intellectual property, competition policy, regulation of services), health or safety (standards, environmental concerns). Depending on the structure of national government, the group may include levels below the national if regulation or purchases are at state or local level.

Regular channels of communication with the private sector need to be established and maintained. This is needed to ensure that sectoral views and information pertinent to the negotiations are made known before SADC or the countries adopt positions or react to others' proposals; and then that sectoral views continually inform the negotiations.

Mechanisms parallel to these national structures are needed in SADC. It is difficult to think of any SADC offices which will not be involved: subjects that SADC has identified as needing regional coordination are likely also to be on the international agenda.

A network of SADC-country contacts is needed to coordinate the country positions where relevant and possible, and to ensure full information about all countries' positions.

Mechanisms are needed to keep the negotiators for SADC and the individual countries with SADC, other regional bodies, ACP, EU, WTO, and others, in touch with all the others. They need to know the main developments and also the technical issues (such as rules of origin) in order to identify where it would be advantageous to have harmonisation across agreements or where what is agreed in one forum will constrain what can be achieved in another.

For each negotiating objective and in each negotiating forum, SADC should identify potential allies, with similar interests. These can be similar groups (other ACP, other regions, other African), specific trade or other interests (other exporters of similar products or services, others with similar legal systems to adapt to WTO rules), or broader interests (developing countries, least developed countries). It should also seek support in some subjects from relevant international bodies outside the WTO: World Customs Organisation, World Intellectual Property Organisation, International Labour Office.

Box 2: To prepare for WTO negotiations

Negotiators need preparation on all issues and existing obligations; this may be particularly needed on the issues that go beyond trade in goods.

SADC has not been notified as a region under Article XXIV or under the Enabling Clause (because there is as yet no trade agreement to notify), but it does have observer status in the WTO. This gives it the opportunity to present policies jointly, when these exist, as well as acting as individual countries, or with other appropriate groups (agricultural exporters, clothing exporters, least developed countries, etc.).

SADC should establish a joint office in Geneva, providing a permanent point of information about negotiations and early notice of proposals that have not yet been formally introduced and economising on the scarce resources which individual countries can afford to commit to their Geneva embassies. It should also establish a network of economists, lawyers, etc., on which it could call for assistance as required (dealing with WTO obligations and disputes is increasingly becoming itself an international service industry). All this would be necessary even if SADC countries planned to undertake all negotiations individually to ensure that all countries have good sources of information, and to avoid developing a system where the two or three countries with large embassies acquire a representational role by default.

If some negotiations are undertaken jointly, the representation in Geneva needs to be at a higher level, and SADC and its members would have to establish protocols for how consultation before and during negotiations would be undertaken.

SADC countries should use and encourage any other initiatives to provide joint services for all developing countries, ACP countries, Commonwealth countries, etc., in Geneva.

Countries should coordinate with other developing countries on issues of special and differential treatment for developing and least developed countries and (especially on GSP) with UNCTAD.

It is important that SADC consider the implications of following the Uruguay Round (and earlier) precedent of the ACP countries relying heavily on the EU to inform them and to represent their interests in the WTO. The need for prompt and detailed information makes the information role inappropriate: countries cannot rely on receiving information through the prism of EU obligations and interests. The representational function could be used in some cases, e.g. if SADC decides on the REPA strategy and wants a joint approach on revising WTO rules to make this legitimate. In practice, however, the very different interests arising from different economic structures, different levels of income, and different approaches to development strategies mean that the EU should simply be considered along with other potential allies in each case.

Box 3: To prepare for ACP/EU negotiations

SADC must be aware that the EU faces the same problems of coordinating and representing interests that are not always identical across the region which SADC faces. SADC needs a variety of contacts among members as well as with the EC.

SADC needs clearer information about what the EU is proposing: The EU must clarify the nature of what would be included in REPAs. The current proposals on trade access are contradictory and inconsistent: can least developed countries be excluded from WTO-committed access if they join a region? How can the offer that no Lomé country will receive less than present access be consistent with WTO rules, unless the EU plans to offer Lomé terms to all WTO members on an MFN basis? Is acceptance of a REPA a precondition for aid?

There is no formal SADC representation in Brussels or within the ACP. If SADC is to negotiate jointly with the EC (whether on a REPA or an alternative trading arrangement) or with the ACP or other regions within the ACP, it will need an office in Brussels. Given current national representation in Brussels, the need for joint services may be less than in Geneva, although countries could consider whether there is potential for these, perhaps releasing resources to increase representation in Geneva.

The ACP has established expert groups to assist in the negotiations with the EU, one for the Caribbean and more recently for Africa. SADC should consider either strengthening and working with these or establishing its own advisors.

The negotiations facing SADC

Section 1.1, 2.1, 2.2[1]

The members of SADC face three sets of negotiations: in SADC, at the WTO and with the EU. These overlap in time and coverage.

There are three major types of interaction:

the impact of combining them on the effective value added of each;
the economic and administrative implications of trying to combine schemes;
direct legal restrictions from one on using another.

The most obvious example is the interaction of advances at the multilateral MFN level with any EU-SADC arrangements. At the legal level, WTO rules restrict the form and coverage of the agreement. At the practical level, an agreement with a single trading partner requires that rules of origin be imposed which affect trade with other partners and that arrangements be made, formal or informal, for consultation on the effects of the agreement on existing or new multilateral obligations. Economically, any reduction in MFN tariffs or non-tariff barriers reduces the benefit, the 'effective preference', of any special scheme.

At multilateral level, the SADC countries face: the continuing implementation of the Uruguay Round agreements; the built-in agendas of subjects left for resolution: agriculture and services; the possibility of a new Millennium Round which could cover new subjects.

EU relations: these are now governed by: the EU agreement with South Africa; the position of the other SACU countries with respect to it; and Lomé. With Lomé expiring in 2000, negotiations start from the proposal by the EC that the EU establish a Regional Economic Partnership Agreement (REPA) with SADC, in which the current non-reciprocal access given to SADC, except South Africa, under Lomé would be replaced by reciprocal, but perhaps asymmetric access. The proposal is that ACP countries (divided into regional groups) could choose to sign REPAs with the EU or to remain outside, and have GSP access to the EU, under either the Least Developed or the other developing provisions.

Members of SADC also have access to *preferential arrangements* from other developed countries, both general under GSP and (potentially) under special schemes such as the US initiative for Africa. The evolution of preferential arrangements and the legal regime for them (including any changes at WTO level) will have implications for the value of an agreement between the EU and SADC. They affect the costs and benefits of retaining exceptional access to the EU, and could have implicit or explicit restrictions on any arrangements. Some SADC members have other bilateral and plurilateral arrangements with each other and with other African countries, through SACU, the Cross Border Initiative, the Common Market for Eastern and Southern Africa, the East African Cooperation, and a range of more limited agreements.

[1] The references at the beginning of each sub-division are guides to the relevant sections of the main report.

CBI, COMESA, and EAC (at least) are all evolving, and their possible changes in the future could be relevant.

As well as the negotiations in which it can participate, SADC's choices will be limited by changes over which it has little control:

- the EU agricultural policy and the consequences for the agricultural protocols;

- the evolution of other groups, including EAC, IOC, COMESA, CBI; and finally

- decisions made by individual SADC countries: unilateral changes, not only in their trading policies, but in tax, industrial or agricultural policies, regional or transport, and other national policies with international repercussions.

The SADC strategy must distinguish clearly between negotiations and issues on which it can decide, and those where it is necessarily dependent on others. GSP, as much as the CAP, is a matter which is legally entirely at the discretion of the importing country. This does not preclude attempts to influence the outcome (in either case), but the final choices, the details, and any subsequent changes need not be the subject even of consultation. This requires a different type of negotiation, a requesting not bargaining type of relationship. It creates uncertainties: of information about what is available, about how it is to be implemented, about its permanence. A trade agreement, with the WTO or the EU, is contractual in nature, although any agreement with the EU would suffer some legal uncertainty (the potential distinctive features of a REPA would almost certainly be tested by the WTO Article XXIV procedure).

But in looking at the interactions and balance among these negotiations, SADC cannot lose sight of broader issues of international strategy: should it be seeking greater access (or preservation of existing access) to current major trading partners or trying to broaden its markers? Should it be looking for a range of special arrangements with trading partners or a more comprehensive multilateral approach? How do different international strategies affect its development strategy?

The central conclusion is already known: the SADC countries face a set of negotiating problems that are complex in time and space, with too many possible variants in choice of trading partner, degree of liberalisation, and timing of liberalisation to permit a simple hierarchy of choices or a clear timetable for decisions. What is essential is to ensure that all elements of the negotiations are brought together; that all those involved in negotiation are aware of the other choices being made. This is important also because negotiating positions in one forum can have an impact on the strength of a position in others; simply the fact of having alternative trading strategies can be valuable.

With the Lomé negotiations and some WTO changes already under way, and a new Round scheduled to start later this year, the urgency is clear. But the number of uncertainties means that a very detailed study risks proving irrelevant; as the negotiations continue and choices are made or cut off, or new choices appear, analysing the situation will be an iterative process (a multidimensional chess game with a need to revise strategies as the pieces move).

The complexity and the range of changing opportunities call for:

- Understanding the current position, as a base for choosing among the different futures.
- Understanding the timing and planning the sequencing of negotiations.
- Clear definition of objectives (established through political leadership after wide consultation).
- Good preparation, mobilisation of allies, and careful deployment of scarce negotiating resources.

Priorities among negotiations

Figure 1 summarises what faces SADC. But its geographical logic does not correspond to the priorities: both SADC's obligations and the timing of decisions dictate a different order: SADC, WTO, then EU. SADC has committed itself to complete its own trade negotiations this year; all the members are also members (or applicants) to the WTO, and thus are obliged to follow its rules and participate in negotiations to change them; SADC's relations to the EU are a matter of choice.

Only South Africa and Tanzania have been regular active participants in WTO discussions and negotiations. Others have only limited representation in Geneva. Until the Uruguay Round, this could be justified because their principal exports were either duty free (as primary goods) or removed, by developed country action, from GATT negotiations (agriculture and clothing and textiles). Most of their remaining exports were covered by preference regimes, not GATT-negotiated tariffs. The Uruguay Round brought the excluded goods back into the system, reduced the value of preferences, and extended international regulation beyond trade to international and national rules (customs valuation and procedures, intellectual property, subsidies...) which directly concern developing countries. It also subdivided 'developing' countries into 'least developed', with increased preferences and other privileges, and 'developing' with reduced. It tightened the rules on regions with a direct effect on SADC itself as well as on a potential EU-SADC agreement. This made more precise the requirement that all sectors be included, put a limit on transition times, and established a mechanism to assess regions against the rules. Whatever the possible direct benefits of negotiations at multilateral level for the SADC countries, the need to comply with the results strongly suggests that they need to reconsider their policy of neglect of the WTO. Participation is particularly important because, unlike the international financial institutions which have the power to take their own initiatives to change their rules or assist members, the WTO is a 'member-driven' organisation: initiatives (and appraisal of others' initiatives) must be by members, not by the Secretariat.

The EU accounts for about one third of SADC exports and imports, less than for other African regions, although the share has been growing in the nineties, largely owing to increases by South Africa. In spite of this relatively low dependence on exports to the EU, SADC countries have put a heavy weight on their trade relations with it. South Africa made the negotiation a priority of its post-1994 trade programme. The Lomé scheme offers the others duty free access for all manufactures and most agricultural goods, with preferences over other developing and all developed countries in the remaining agricultural goods. The protocols for sugar and beef and veal give free access to EU markets for goods which would otherwise be covered by the Common Agricultural Policy for a fixed quantity of exports, allocated among ACP countries. These give the countries a guaranteed high price as well as access. Changes in the CAP will not lead to any increase in the quotas, will bring a reduction in the guaranteed prices (expected to fall by about 20 percent), and could lead to the discontinuation of the protocols.

Timing of negotiations

Sections 3.1, 3.2, 3.3, 3.4

We assume that the negotiations for the SADC Trade Protocol will be successfully completed in 1999 and implementation will begin in 2000.

In the WTO, the Uruguay Round left some unfinished business, the 'built-in agenda', and some where it was clear that further review would be needed within a few years. The two most important trade areas were agriculture and services, in both of which WTO members were required to open new negotiations by 2000. The question remains (at least until the formal opening at the end of November 1999) whether there will be a limited Round, dealing only with these pending items (and possibly some relatively uncontroversial tariff changes), in order to secure some advantages, especially in agriculture, as soon as possible, or a full Round, with the possibility of re-opening all the subjects covered by the Uruguay Round plus a 'new agenda', extending the WTO's competence into areas like trade in environmentally damaging (or friendly) goods, investment, competition and other company policy, labour, more extended control of national legislation with potential effects on trade, etc. The EC appears to be supporting a full round, while many developing countries believe that the unfinished business from the last Round (implementation of agreements such as the MFA, for example) should be completed before new subjects are introduced. For SADC's long-term planning this may not change the outcome, although clearly it affects what it must treat as a priority. If there is only a limited round, then it would probably be followed by a full round relatively soon after, perhaps in the late 00s, certainly by our horizon of 2015. The regulatory issues introduced in the Uruguay Round could be raised again, as well as new ones. The rules for regions which were revised in the last Round could be made more explicit, as there will soon be some direct evidence of how they are working, although there are no current proposals for reform.

There is a view, certainly in the WTO, and possibly in some major countries, that the Round 'will be mainly about development', if only because the obvious tariff and sectoral reforms were made in the last Round. But against this is the fact that many of the items on the potential new agenda are more about regulation. This could help development, by increasing the security and predictability of systems, or hurt it, by reducing countries' freedom to take their own initiatives, but the rationale for it is the increasing integration of the developed countries. Development will only be a priority if active intervention by developing countries achieves this.

EU negotiations with the ACP countries have already begun. SADC's choice, to follow the EU proposal of a region-to-region FTA, to take the alternative offered of GSP status, or to try to negotiate an alternative trading arrangement, must be made in the next year. SADC countries must, therefore, now be aware of the coverage and timetable of the general preferences available, to least developed countries and to other developing countries. Of the SADC countries, only South Africa in recent years has received GSP treatment from the EU, and this was in a period when it was negotiating a special deal with the EU. The current (post-1986) EU GSP now specifies the reduction on the MFN tariff as a percentage. This means that even if there is no change in GSP itself (and it has been drastically reformed at each renewal, with the next due in 2005), any results of a WTO round will alter (and reduce) its value. Two trends have been important, and may indicate the direction in which GSP may move in future reforms. The first is increasing differentiation by product in the degree of preference given. The current EU scheme has four levels of preference (according to the sensitivity of products), different treatment of industrial and agricultural goods, and the potential (not yet used) to offer additional degrees of preference for good environmental practice or observance of certain labour standards. The second is differentiation among countries. The more advanced or competitive countries can be graduated out; an extended regime exists for least developed countries; there are special arrangements for some countries exporting drugs in Latin America.

Proposals for reform have suggested some simplification in the number of levels of preference, but increased differentiation among countries. One proposal is to increase the number of income categories, thus allowing increased preferences for some countries just above Least Developed, with perhaps a reduced preference band for advanced countries not yet graduated. Another is to include additional indications of vulnerability, as well as income. There are proposals to add rewards for other criteria, as well as environment and labour. All of these introduce *de facto* much greater discretion for the developed country offering GSP. Therefore, while a move in the direction of increasing preferences or altering the structure to allow the EU, effectively, to try to recreate Lomé (by choosing the criteria appropriately), might preserve the current degree of access of ACP countries, it would do so at the cost not only of losing preference relative to non-ACP countries, but of increasing the uncertainty and vulnerability to decisions by the EU. (A REPA would be contractual, like Lomé.) It must also be questioned whether significant improvement in GSP is a realistic option. If the EC's proposal to move from Lomé to REPAs is not purely because of unwilling compliance with WTO rules, but for other reasons, in particular a desire to reduce preferences and increase access for EU exporters, there is no reason to believe it would improve GSP.

The increasing differentiation in country GSP schemes was reinforced by the initiative by the WTO to provide secure special treatment for the Least Developed (proposed at the Singapore Ministerial meeting, 1996, and introduced following a High Level Meeting in 1997). Under this initiative, all developed (and some advanced developing) countries were asked to guarantee better access to the least developed. The EU improved the existing provisions for the least developed in its GSP to equal full Lomé access for industrial goods and for some agricultural goods (not those under the CAP), although non-ACP least developed countries must still use GSP rules of origin, not the more generous Lomé rules. This very recent initiative, unlike GSP, is not time-bound, so the secure position of the Least Developed countries can be assumed to continue through the period we are studying. GSP access for developing countries may improve in absolute terms (if any of the proposals for reform are accepted), but could simultaneously decline in relative terms (if MFN rates fall). If the WTO continues to stress the position of the least developed, the main differences in treatment in any future Round may also be concentrated there, with relatively little or no special access for other developing.

The EU-South Africa agreement has now been signed and approved (although not yet ratified). It will come into effect from 1 January 2000, and be completed within 10 years for the EU's obligations and 12 for South Africa. This places a direct new constraint on SADC negotiations: any new agreement must be compatible with it, whether through SADC's relations with the EU following it exactly or by designing rules of origin or other ways of ensuring that there is no trade deflection (goods seeking the lowest available tariff).

Figure 2 indicates how the SADC, WTO, and EU negotiations will evolve in parallel, along with other fixed points in the trade policy calendar. It shows clearly that there will be a period of intense activity in all three in the next year, and that there will be another peak in about 2004-6, the nature and exact timing depending on the outcome of the first (Boxes 4 and 5).

Box 4: The 1999-2000 negotiations

SADC:	Negotiation and ratification of the SADC Trade Protocol (Trade Negotiating Forum to complete negotiations by June; ratification during second half of 1999; implementation from January 2000).
SADC role:	Only SADC is directly involved, subject to existing obligations to other partners.
WTO:	Start of WTO Millennium Round (summit November 1999; start expected 2000).
SADC role:	Individual SADC countries (SACU as one country) must take positions. SADC may have coordinating or negotiating role. consultation with other developing countries on scale and coverage of Round.
EU:	Negotiation leading to decision on whether to agree in principle to REPAs (by 29 February 2000)
SADC role:	With other ACP countries, to clarify the choices offered by the EU. Individually, collectively as SADC, and in consultation with other ACP regions: make decision on REPAs.

Box 5: The 2004-6 negotiations

SADC:	Negotiation of final stages of sensitive product liberalisation in SADC; completion of FTA in 2008; decision on how to go forward (e.g. CU).
WTO:	Either: completion of 'limited'Round (2003-4); planning of 'full' Round to follow. Or: completion of 'full' Round (2005-6).
EU:	Either: finalisation of REPA negotiations (by February 2005, if EU proposal to extend Lomé to 2005 is adopted; 2010 under ACP proposal); if WTO negotiations still in progress, could try to secure extension to WTO + 5. Or: lobbying EU to improve GSP as alternative to REPA and joint negotiation with other developing to secure 'binding' of GSP under WTO and improved treatment for least developed.

Choice of timing

Figure 2 should not suggest that timing is entirely fixed; it should itself be part of SADC's negotiating strategy.

The outcome of WTO subsidy and agricultural reform negotiations is clearly crucial to the nature of any agreement with the EU on a REPA. If there is a prospect of a short WTO round, this might suggest deferring EU negotiations or making them conditional on the outcome. It is clear that the likely outcome of the round will still be very uncertain by early 2000, so SADC (and the rest of the ACP) might find it unreasonable to commit themselves on their policy towards the EU by then. There are also important connections in other areas, in standards (where progress at WTO level could make any EU-SADC agreement redundant), on rules of origin (where there is a strong SADC interest in common and liberal rules in a REPA), and in services (where the WTO is likely to make progress, and which may be excluded from REPAs).

If SADC creates risks of trade diversion, and EU-SADC arrangements could reduce these, then reducing any delay between the two settlements is clearly desirable. But if there is an intention to go for greater general liberalisation by the SADC countries (in particular a leveling down of tariffs to a common external tariff) then any policy which might cause diversion to the EU should be postponed.

If the trade creation effects of the EU-South Africa agreement cause some industries in South Africa to be badly affected by competition from the EU, then SADC (in the absence of a SADC-EU agreement) could provide alternative markets. Alternatively, SACU could see an advantage in adjusting simultaneously to a more general liberalisation to the world.

Choice of objectives

Sections 3.2, 3.4, 3.5, 4.6, 4.8, 4.9, 4.10, 5.1, 5.2

SADC

While we assume that the SADC FTA negotiations are completed, SADC may have objectives beyond this, in particular moving to a customs union (or common market or alternative models like joint economic or industrial strategies). If any of these are on the table, its objectives in negotiations with the WTO and with the EU must take into account not only compatibility of present agreements, but potential changes. We have not assumed any further negotiations within SADC here.

WTO

In WTO negotiations, there are two aspects: the possible changes in the WTO's policies sought by others which could affect SADC, and what SADC itself could try to do to influence the agenda.

There are many possible objectives within the agenda of the WTO. As agricultural producers, SADC countries could seek both better access and a reduction in the developed countries' subsidised production. They could lose, however, in the protocol goods; beef and sugar.

Services are an obvious interest for countries with low labour costs, and as members of a region the SADC countries have an interest in easing the treatment of regional preferences for services. Except for minor provisions on timing and technical assistance, there are no special provisions for developing countries in the services agreement and no provision for offering preferences. On the other hand, it is expected that developing countries will be strongly encouraged to increase their participation, by offering more liberalisation of more services. This offers scope for negotiations.

They could look at where MFN rates need to be lowered (agriculture and clothing are likely to be issues where they will find allies in the next Round). Any progress here would not only recoup any loses in access to the EU, but improve access to the rest of the world.

With the possible exception of South Africa, all the members have an interest in preserving the special treatment for developing countries. For the least developed countries, there is an interest in preserving and improving the initiatives to give them special access. For other developing, the squeeze between lower MFN and higher least developed access leaves little space for improving GSP, but it could be made less discretionary.

The Least Developed programme offers a model for improving GSP. It was the result of a general WTO negotiation, rather than individual bilateral offers; the principle of WTO supervision could be taken further to make the agreements enforceable under the WTO, by 'binding' the preferences in the same way MFN tariffs are bound. The differentiation of least developed countries from other developing also offers a precedent for negotiating the right to a much more differentiated GSP (and not necessarily only by income).

A more general objective would be general liberalisation so that SADC would preserve its access to the EU, but on the basis of a world wide reduction in barriers, secured in the WTO, not by means of a special agreement with the EU. This would secure all the access of the proposed REPAs (in both directions), plus improved access to the rest of the world, without the risks of trade diversion.

The relationship between trading and environmental objectives and regulation will be on the WTO agenda. Rules on the environment (and labour) have up to now been treated by separate conventions outside the WTO, but regional groups (NAFTA and the EU) have set the precedent of treating them within a trading arrangement. There are also proposals to use the balance of environmental damage as an argument in trade liberalisation negotiations. If goods can be identified which are produced in a more 'environmentally friendly' way in developing countries than in developed, removing barriers could benefit both development and the environment. The products which have been identified include several of interest to SADC, including horticultural products, non-timber forest products, fish, cotton and leather. For SADC, there is some interest in improving access to developed countries other than the EU (although most are already open under GSP). The interests with respect to the EU, however, are mixed: if SADC retains preferential access, under a REPA or new Lomé, extending this to other developing countries would damage their interests; if they do not, they would themselves benefit from better GSP or MFN access. At a minimum, they must be aware of such negotiations.

As a region, SADC has an interest in any change in the regulation of regions. At present this is not on the table, but SADC countries could join with other developing countries to press for reforms in the position of regions in the WTO and the rules for timing and asymmetry. At least, they must be involved in the negotiations.

EU

In EU negotiations, the proposal of the EC was that SADC (and the other ACP regions, or potential regions) sign a reciprocal agreement which would come under the WTO's rules for regions; alternatively, the members could accept separately the normal GSP arrangements. While legally there is no need for SADC to make a choice of strategy on this (or to coordinate what it may decide with what other ACP regions may do), if SADC is a coherent region with common interests, its members will want to consider these options together. Even as a practical matter, it may gain negotiating strength by considering them together, and also with the other ACP countries. We have assumed SADC countries coordinate. This would not necessarily mean they all have the same outcome, in or out. An alternative, suggested in Imani, 1998, would be for the least developed countries to remain outside, while Mauritius, Zimbabwe, and the Seychelles signed a REPA, and SACU either joined the REPA or kept to the EU-South Africa agreement. The least developed countries may be reaching the stage where preferences are useful; they might not want to lose the possibility of benefiting from them by entering a binding FTA.

The developing countries might be able to have indirect access to the EU without joining a REPA by, for example, investing in the least developed and using those countries' access to the EU (and to other developed countries). This would not apply to all products or countries, but it offers an additional choice. It provides an interesting counter-example to the assumption that an FTA will necessarily want the same relations with external partners for all its members.

The EC position is that least developed countries in a REPA would have to lose their (WTO-agreed) rights to access without reciprocity. But if there is to be differentiation among its agreements with SADC members, then there are no practical or legal reasons for not allowing least developed differentiation. If negotiations could preserve the least developed's rights, this would increase the possibility of securing some agreed strategy between the least developed and the developing.

How an EU-SADC REPA would actually work is unclear, with different precedents in the EU's own existing relationships and a range of other FTAs for developed, developing, and developed-developing country groups. The existence of the South Africa-EU agreement means that there is a strong probability that the EU would expect an EU-SADC agreement, negotiated jointly or in a coordinated way, to follow that model. But SADC could look at other models, if it chose the REPA path: the greater coverage of the EU agreements with the Mediterranean countries, but also the great difficulty they have had in negotiating improved agricultural access; much greater coverage with the Eastern European or Turkey; NAFTA, with more asymmetry in timing but less in outcome; the much looser and more staggered model of ASEAN; SADC's own informal relationships with other regional groups, including MERCOSUR and ASEAN.

The EU-South Africa precedent and the proposals of the EC both suggest that any arrangement(s) would be permanently asymmetric, with more exemptions for sensitive products on the SADC side than the EU. These, again, could be the same across the countries or different. In an FTA, however, each country's choice will affect its trading partners. Even if rules of origin prevent trade deflection, the imports by the low tariff country may mean substitution of EU goods for a SADC good.

The combining of EU and multilateral strategies offers another possibility to SADC. It could agree a REPA, to secure its guaranteed access to the EU, and then liberalise to the rest of the world (even if it could not obtain reciprocal liberalisation at the WTO). This would preserve its access to the EU, and obtain greater advantages of liberalisation of imports than liberalisation to just one developed trading partner could give (because there would no longer be risks of trade diversion).

Choices and criteria

Given these negotiating agendas, SADC (or the countries or other groups; see next section) must choose objectives, and decide which should have priority, on the basis of three types of criteria:

The advantages of liberalisation against the advantages of policy freedom.

> The choice can be over-simplified as between certain short-term income and efficiency gains and potential long-term gains from industrial strategy or infant industry protection.

The advantages of reciprocal liberalisation against the advantages of broader liberalisation.

> The choice among: bargaining country-by-country for bilateral access; a general bargaining of liberalisation for access at the WTO; or a strategy of unilateral liberalisation to secure immediate advantages.

The advantages of preferences for greater access against their uncertainty, because they are discretionary.

SADC must also then choose:

Which is to be its principal negotiating forum, the WTO or ACP/EU negotiations (or neither if it wants an independent trade policy). This must depend on:

> **its objectives.**
> **the expected outcome in each negotiation.**
> **the positions of other countries and groups.**

Once it has chosen it should try to:

> **defer negotiations with the EU (if it chooses the WTO).**
> **or defer a 'full' Round and secure exemptions for preference areas (if it chooses the EU).**

We must, however, remember, that decisions are not immutable. The choices should be reassessed over the course of parallel negotiations as different alliances and possibilities emerge.

At regular intervals (at least: before and after the 1999-2000 negotiations, and again before and after the 2004-6 negotiations) it must reassess:

> **its principal negotiating objectives, and therefore forums and allies.**
> **its fall-back position.**

This approach is incorporated into tables 1 and 2 which outline three possible strategies, presented in the options section (below).

Negotiating groups

Sections 5.1, 5.2

The premise of this paper is that 'SADC' is a unit capable of having trade relations, whether with the EU or with the rest of the world. But this is also a choice for SADC and its members; the decision by the EC that SADC and the other groups among the ACP countries are the best negotiating counterparts does not bind SADC. FTAs do not normally act as a unit within the WTO or in negotiations with other countries (or customs unions), although if they have a strong relationship and common interests, it is normal for them at least to inform each other about their positions and coordinate them where possible. And SADC must consider not only the choice between SADC and the individual countries, but within SADC whether the interests of sub-groups (e.g. SACU, least developed, and the non-least developed countries), need to be differentiated, and outside SADC how it should coordinate with COMESA, EAC, CBI, IOC; the ACP, all developing countries, sectoral interests. If SADC is a coherent region with common interests, it will want to consider these options together.

EAC, COMESA, IOC, and CBI all include an objective of harmonised CETs: it would be possible, therefore, for the non-SACU members of SADC to negotiate together under one or more of those headings, but this could weaken SADC by moving the primary negotiating responsibility to COMESA and by encouraging a negotiation for all COMESA (certainly to include the EAC). This could lead to an FTA of customs unions: EU, SACU, and COMESA.

There is no previous example of a customs union signing an FTA with an FTA.

- If SADC had a firm intention of becoming a CU, it could defer external arrangements until it was sufficiently advanced to behave as one; this would be well beyond the EU's 2005 deadline for ending Lomé, so it might prove equivalent to choosing the GSP option, and then restarting negotiations later.

- It could offer an alternative model, of a new FTA including the two customs unions, EU and SACU, and all the other SADC members as the partners. This would reduce the costs of separate FTAs, both administratively and economically, and provide a coherent legal structure.

- SADC could simply coordinate negotiations in some way, so that at least the timings of all the members' agreements with the EU (and of any staged tariff reductions, perhaps) were the same, and perhaps ensure the same lists of sensitive products, thus minimising the need for increased rules of origin.

- The members could follow South Africa's example and negotiate completely independently, as is their right under SADC Trade Protocol rules. In this case, some might choose not to sign. This last format would follow what seems to be the norm for FTA members signing with other countries or CUs (c.f. the various deals by members of NAFTA).

SADC must consider its position within the ACP, whose negotiations with the EU have already begun. The ACP negotiating position is to concentrate on preserving the Lomé conditions as much as possible, for as long as possible, with pressure for a 10 year transition period instead of 5 before any post-Lomé arrangement begins. The key phrase is Alternative Trading Arrangements (ATAs), which includes REPAs, but is definitely not restricted to them. The ACP position does support differentiation among the ACP countries, but not just by region or by least developed and other, but introducing 'small landlocked and island' as separate category. This brings out the contradiction implicit in the Green Paper, which supported differentiation among the ACP countries on the grounds of different needs and levels of development, but then proposed regional arrangements, each of which would take in developing and least developed countries (and two of which, SADC and CARICOM, include developed countries).

How to choose the negotiating group

The first criterion is whether negotiating objectives are sufficiently close for strength from unity to outweigh compromise on details. There are clear differences between the interests of the least developed and the developing (exacerbated by the different alternatives offered to these by the EU), between different types of economies, perhaps between different sizes of country. But for SADC, the strength of a common approach may be more important. A vital second criterion is whether SADC (or any of the other potential groups) is so politically or historically or socially committed to joint action that this outweighs purely economic differences or costs of joint action. This is the essence of all permanent regions.

The same two criteria will govern SADC's choice of allies outside itself.

Options for SADC

SADC countries must choose their trade strategy in a context of unknown outcomes to multilateral negotiations and other bilateral negotiations and with uncertainty over the details of its own negotiations. The aggregate effects on trade and therefore the calculable effects on output and welfare show only small differences for the different scenarios here, and other studies have found similar results. The large effects come in particular sectors or on areas like the fiscal balance. The implications of these will depend on the policy choices of the region and the member countries. They also come in less tangible forms: on SADC's own regional integration and perhaps on others' perceptions of SADC's performance. If we keep to the economically calculable results, we obtain the conventional answer that full liberalisation by SADC is the best scenario, even if the rest of the world does not respond. Liberalisation to just part of the world, the EU, is inferior, but possibly beneficial on balance, if there are additional costs to not liberalising to the EU, whether from loss of trade access, direct penalties in cutting aid or more nebulous loss of confidence, and if the costs of discriminatory liberalisation in terms of both administrative costs and pressures from excluded countries are not too high.

SADC countries also must ensure that any agreements are enforcable. With the WTO, there are clear ways of obtaining interpretations of the rules, through precedents or at the limit through the dispute procedure. Lomé, although contractual in theory, had no system for enforcing the contract on the EU nor any dispute system.

Economic consequences of different outcomes

Section 8

The paper presents estimates of the results of 'success' in the three negotiating strands (SADC, WTO, SADC/EU), plus a unilateral strategy. In practice, SADC's negotiating strategy will be a combination of these. The four 'scenarios' which are then compared to the 'base' (which included the EU-South Africa agreement) therefore are:

> Completion of SADC FTA.
>
> A WTO round, with major outcomes on services (not included in the model) and agriculture, and some concessions on industrial good tariffs. We assume this can be represented by a 50% cut in tariffs (which would be major for agriculture and minor for industrial goods).
>
> A SADC-EU REPA.
>
> Unilateral complete liberalisation of trade by all SADC countries.

One direct relationship unambiguously appears: the more liberal the trade regime, the higher the welfare gains for SADC countries. The only exception is that for SACU a WTO Round is better than unilateral liberalisation because it depends more on access to the rest of the world. The REPA results are inferior for all SADC countries largely because of the harmful effects of trade diversion: switching to EU products from other more competitive ones. This is supported by other studies showing the risks of the REPA option. Despite the strong trade ties between SADC countries and the EU, therefore, the REPA option should not be the exclusive or even predominant focus of attention. There is a great deal to be gained for particular SADC countries and the group as a whole from negotiating in the WTO forum for MFN tariff reductions from all trading partners. The least developed will be able to choose whether to reciprocate with cuts in their own tariffs, whereas the non-least developed will be required to make reciprocal cuts, albeit perhaps on an asymmetrical timetable.

For a SADC country to make strides towards achieving broad socio-economic goals, such as rising standards of living and high levels of employment, substantial levels of investment will be required to expand and diversify the productive base. Preferential or liberalised trading arrangements could open up new opportunities. The most dramatic impact would arise from countries starting new industries (eg through exploiting a new mineral resource or starting an export-oriented labour-intensive industry, as Mauritius did so successfully in the 1980s), but even within particular sectors, altering the production mix to take advantage of the faster growing markets could improve export prospects from decline to expansion. The comparative static analysis shows large differences for the same product from one country to another because of different markets.

A major effect found here and in other studies of SADC liberalisation is on tax revenues; other studies have also found that tax policy is already a weakness in SADC countries. A full liberalisation would remove all tariff revenue, and even a REPA would cost a very high share of it. With tariffs about 8% of SACU government revenue and 20% for the other SADC countries, this requires a major increase in other taxes. Finding effective ways of compensating for the loss of tariff revenue and perhaps restructuring tax systems will be an essential pre-condition for any trade strategy. There is another link: if there are going to be pressures on tax revenue, it is particularly important that the economies grow as rapidly as possible to alleviate at least some of the pressure. This makes finding efficient trade solutions important.

The sectoral effects are important for their effects on countries' patterns of development, and also because those who are affected may have a voice in setting trade policy. Those found here are of course more important for the non-SACU countries, because the SACU countries' liberalisation to its major trading partner, the EU, is assumed to have happened. Because the method used requires equilibrium between exports and imports, the contraction of some sectors in competition with imports is balanced by increased exports, with specialisation leading to increased production and exports of some traditional products, especially clothing and textiles, leather and footwear. (The country results vary widely; see section 8 and the individual country appendices.) In general, none of the liberalisation scenarios seems to indicate a significant contribution to development.

Replacement of Lomé by GSP

Section 3.2

Under the proposed alternative to REPAs, integrating the SADC Lomé countries into GSP, all the non-least developed countries would face a reduction in access, and even the least developed would have some disadvantages (different rules of origin, for example). Some of the impacts are potentially very substantial, and they would be highly concentrated in certain sectors and certain countries. The SADC countries would be particularly badly hit (among the ACP countries), especially those benefiting from the sugar protocol (two thirds of SADC's loss), followed by those exporting beef, clothing, fish, and tobacco, and some losses for non-ferrous metals and horticultural products. Even if GSP access were made equivalent to Lomé, there would be a relative loss by the SADC countries because of the loss of preference, with the same sectors affected. The countries most affected would be Mauritius, Namibia, Swaziland, and Zimbabwe.

Three strategies

SADC must choose strategies to maximise its benefits from the negotiations, but must always have a 'fall back' position because no participant in bargaining is likely to have complete success. Any strategy must be robust in the face of uncertainty about the outcome of other negotiations and about others' objectives and change in external conditions. As SADC must participate in the WTO negotiations, table 1 presents a single set of objectives and negotiating tactics.

It should use the WTO agriculture and services agenda to obtain better access for products in which it has an advantage, particularly in non-EU markets where it does not yet have access. It must balance the advantages of ensuring its access to the EU through negotiating improvements on an MFN basis (e.g. clothing tariffs, environmental goods) against the cost of losing its preferences there relative to other suppliers. Given the uncertainty about what it will achieve in direct negotiations with the EU and the long-term erosion of preferences because of general liberalisation, the choice should usually go towards improving access generally, but clearly these areas will not be its priorities, and this will be as difference in interests from non-ACP developing countries. Binding the present commitments on GSP and access for the least developed countries does not lose any preferences and does give it a safer fall-back for its EU negotiations, and should be a priority. It should use allies, as appropriate.

With respect to the EU, however, SADC has three choices, presented in table 2:

- **to demand (perhaps jointly with the rest of ACP) an alternative trading arrangement (more favourable than MFN or GSP) to the REPAs as the successor to Lomé, and refuse to accept an FTA or full reciprocal obligations with the EU;**
- **to accept the REPA proposal in principle, and try to gain the maximum benefit at minimum cost from it; or**
- **to give up the possibility of special treatment from the EU, and concentrate efforts on multinational negotiations.**

The first of these is clearly the one to choose first, because it leaves either of the others as potential fall backs. The second similarly offers the possibility of securing at least the present, and possibly improved, access to a major trading partner, provided sufficient protection can be included for sectors of developmental importance, again with moving to the third available if the outcome is not satisfactory. For both, the risks to this approach would come from either diverting too much negotiating effort from the multilateral arena and failing to secure the best possible 'fall back' or from accepting constraints on SADC policy, internal or to partners other than the

EU, which could constrain it from taking full advantage of multilateral opportunities. SADC should retain the freedom to extend to all trading partners any arrangement it signs with the EU. This will allow it to avoid the risks of trade diversion (from offering preferential access only to the EU) and maximise the benefits from trade liberalisation and creation (once it has at least partially renounced the potential benefits from an independent trade policy).

An alternative arrangement with the EU should try to ensure continuance of SADC countries current access to the EU, improvements on non-trade areas where the EU is not bound by WTO requirements of MFN (and where the EU has experience, as a region itself, in designing preferential terms), and financial compensation for any loss of preferences, especially from reforms to the protocols or the consequences of CAP reform.

A REPA should try to secure better access to the EU for all SADC countries (a bargain that required reciprocity from the ACP members and offered nothing more than Lomé would be one-sided), equal access for all SADC countries (to avoid disrupting SADC's integration with rules of origin), staged liberalisation to the EU, by SADC countries at different levels of development, coordination of liberalisation with reform of the CAP, and simple and liberal rules of origin.

With neither of these, SADC should try to improve the access under the EU GSP to as near as possible equivalent to Lomé, if necessary with tiered access for different levels of development, and financial compensation to ease adjustment to loss of preferences.

Table 3 presents a possible combination of the WTO strategy with an alternative trading arrangement with the EU, called here an Enhanced Regional Agreement (ERA). SADC could accept the principle of reciprocity, while maintaining the principles of differential treatment for developing and least developed countries and avoiding trade diversion.

SADC could ask that its members' liberalisation be staged not by fixed periods, but by reference to each country's readiness to liberalise, measured by level of development or achievement of poverty reduction targets. Liberalisation would also need to be conditional on reform of EU export subsidies to agriculture. SADC would need to negotiate appropriate amendments to the WTO rules on regions to permit this version of staging the implementation of the region. If the liberalisation were then extended to all SADC's trading partners, this would remove the risk of trade diversion. Aid and enforcement mechanisms could support this.

Preparations required

Sections 4.2, 4.3, 4.4, 4.5, 4.11, 5.1, 5.2, 6, 7, 9

Two types of preparation have been considered, gathering information about all the subjects of negotiation, and where these will occur, and watching the timing. A third element is the range of regulatory issues within the WTO, on some of which some SADC countries are lagging behind even their existing obligations to the WTO: customs practices and valuation, anti-dumping rules, intellectual property protection, transparent and internationally defensible standards (and for all of these, reconciling international obligations with the most useful forms for national efficiency and development). SADC countries will be required to have a position on how these rules should evolve, which should not always be a simple reaction to others' proposals. Because of the complexity of its regional obligations and preference entitlements, SADC has an even greater interest than other countries in encouraging international agreement on common, simplified, and if possible more liberal rules of origin.

But there is also an immediate need for administrative and organisational preparation. The multiplicity of negotiating subjects and arenas is matched, even within countries, by a multiplicity of participants (and potential participants). The new subjects require representatives not only from commercial, but from sectoral departments (agricultural, industrial, mining, services) and financial and legal experts. This means informing and coordinating the positions of all these. In some cases (in the EU and also in some SADC countries) relations with different external partners are dealt with separately (DGVIII for the ACP, DGI for the others; in SADC countries divisions between Lomé and SADC negotiators are common, and the WTO may be a separate responsibility). A coordinated strategy must bring these together.

In the countries which are most successful in international negotiations, this coordination goes beyond the public sector. This is not only to ensure that private sector interests are protected, but because, particularly in new areas like services, the only expertise in a country's interests and needs may be found in the private sector.

SADC itself faces two problems: its own cross-sectoral division and the division of responsibilities between countries and centre faced by all regions. As a Free Trade Area, there is no legal need to have a 'SADC' track negotiating unit, because any negotiations with the rest of the world will be about what each country will concede, but there is probably a practical need, because perpetual referring back and consultation would obstruct any strategy, and the arguments for joint action are powerful. If there is an intention of moving to a common external tariff, or common regional policies on other developmental questions, there will be a formal need to find the institutions and the relationships to deal with this.

What are the possibilities? SADC's sectoral division of responsibilities makes finding a consistent position across all the topics now facing trade negotiators particularly difficult. At present, there is no mechanism for coordinating country positions, and on trade it would not be clear if this should be at the initiative of the Secretariat or the SITCD, with all the other relevant sectoral divisions. SADC can observe the two extremes: the EU with a centralised organisation, with legal competence to negotiate (although actual power is still partly in the ministerial consultations which lie behind Commission initiatives) and SACU which has no secretariat or central organisation. Even FTAs normally have these. What will work, however, depends not only on the legal structures, but the nature of the region. The EU is a collection of middle sized and small countries, with no single dominant member. Agreement will always be a matter of bargaining, and there is no permanent 'winner'. SACU has one dominant member. It will always be unwilling to be outvoted by the others, while they resent not having a real influence, however much agreement and confidence may exist among the members. SADC falls between these two extremes, so it will be difficult, but not impossible to create a structure to balance the members' interests. But to allow any delegated group or secretariat to negotiate requires strong common interests and trust, in the central body and also among the member countries. The alternative remains of leaving the negotiations to the countries (with strong efforts to exchange information) as is done in other FTAs, but this needs careful planning.

If informal coordination is not considered sufficient, the existence of one powerful member makes it more necessary, as well as more difficult, to have a strong central secretariat or council to balance it. It also means that it is important for all countries to inform other members when they take initiatives. An FTA can tolerate different external relationships, but it cannot survive inadequate information about these because they affect all members.

In international negotiations, the EU is the only region which acts always as one group on the matters which are under EU competence, speaking through only one voice. (MERCOSUR has the intention, but not yet the habit.) NAFTA, Central America, SAARC (South Asia) and ASEAN (South East Asia) all coordinate and inform each other in WTO negotiations, and occasionally one country will speak stating that it is representing the group, but (unlike the EU) they are not themselves members of the WTO or any other international organisation. This form of coordination has been proposed for SADC, and there is a framework for ambassadors in Geneva to meet each other before WTO meetings, under the coordination of the Tanzanian Ambassador (who is himself active in WTO negotiations), but lack of time and awareness of the issues has prevented this from being effective. There are also some sectors (for example fish) where there may be only one or a limited number of countries with an interest, and they will want to represent themselves.

If SADC starts to take initiatives, this will ensure that it is seen as region by others. In the past, the ACP countries, have tended to use the EU as their representative in the WTO, and to rely on the EU for information about WTO requirements. Clearly this could not support an alternative strategy which tried to reduce emphasis on EU relations.

If there is to be joint action with the rest of the ACP, this raises all the same questions of how to do it, with additional practical ones: the ACP southern Africa group is not the same as SADC, because regions have never had any formal standing within the ACP. Reorganising the ACP now to take account of regions could weaken its stance against the EU in the Lomé negotiations (by implying acceptance of the regional division proposed by the EU).

SADC cannot expect to resolve these questions more quickly than have other regions (and the EU still has not succeeded, as illustrated by countries' different approaches to the Lomé negotiations). It will need to secure at least some cooperation on major issues if it is to have any strategy, not just respond to EU or WTO initiatives.

Boxes 1-3 summarise the immediate administrative needs for SADC to be able to negotiate effectively.

Sources of assistance for this

A distinction must be made between assistance in understanding, complying with, and adjusting to international obligations, which can involve technical or financial assistance, and assistance in identifying priorities for negotiations, devising negotiating strategies, and implementing these.

For the first, the conventional donors, including the EU and (for technical assistance) the WTO can be approached. But for the second there is a potential contradiction between the EU's role as one region negotiating with another (SADC) for trade advantages and the EC's (and member countries') role in providing financial and technical assistance for SADC (and the rest of the ACP) in their negotiations. The EC and EU members cannot advise 'the other side' about which parts of the EC position are firm and which are negotiable; whether there is a realistic possibility of improved GSP or other alternative trading arrangements; and which commitments cannot be relied on. From the SADC point of view, it is necessary to be aware of the dual position of donors.

The WTO offers technical assistance in understanding and complying with its rules, and can do research on possible policies. It also offers opportunities in its training programmes and seminars for establishing contacts and promoting coordination within and between countries.

The 1997 Programme for the Least Developed countries encourages and potentially provides finance for the provision of 'WTO document centres'. All the least developed countries could benefit from this, and the programme has been extended to other poor African countries. It also can respond to other needs, including legal training in trade law and its interpretation, assistance in designing fiscal reform to find substitutes for tariff revenue, and assistance on developing the institutions necessary to develop national (or regional) standards as well as comply with international standards.

For assistance in negotiation, there are some donors without a direct interest (e.g. the Commonwealth Secretariat which is starting to develop a programme of assistance for the next Round). In some areas, the best form of assistance may be information from or coordination with other developing countries and regions, which need to make the same strategic decisions about domestic and regional policies, and about how to use international negotiations to achieve these.

1. Introduction

1.1 Outline of the study

The members of SADC need to consider their relations with the EU in the context of the existing and prospective provisions for:

Their relations with each other,

Their preferential relations with other partners.

Their contractual rights and obligations in the multilateral system.

For each there are three types of interaction:

direct legal restrictions from one on using another;

the economic/administrative implications of trying to combine schemes;

the impact on the effective value added of one scheme of altering the 'base' trading position to which one scheme is to be compared by assuming one of the others is also in place.

The most obvious example is the interaction of advances at the multilateral MFN level with any EU-SADC arrangements. At the legal level, WTO rules restrict the form and coverage of the agreement. At the practical level, an agreement with a single trading partner requires that rules of origin be imposed which affect trade with other partners and the arrangements be made, formal or informal, for consultation on the effects of the agreement on existing or new multilateral obligations. Economically, any reduction in MFN tariffs or non-tariff barriers reduces the 'effective preference' of any special scheme. The second and third chapters of this report will examine the existing and the expected relationships of the SADC countries with the EU, each other, and the rest of the world. This will provide the necessary background and base case for examining the choices now available to the SADC countries.

At multilateral level, the SADC countries face: the continuing implementation of the Uruguay Round agreements (this can be treated as known); the built-in agenda of continuing negotiations on the subjects left for resolution or with a timetable for resumption of negotiation, e.g. agriculture and services; the possibility of a new Millennium Round which could cover new subjects.

EU relations: these are governed by: the EU agreement with South Africa; the position of the other SACU countries with respect to it; Lomé. For the future, they depend also on other arrangements, either established (the provision for permanent preferences for the least developed countries, for example) or proposed (not only the possible successors to Lomé, but also arrangements for a new EU GSP). Understanding these provides the necessary background for examining the choices now available to SADC, in particular the proposal by the EC that the EU establish a Regional Economic Partnership Agreement (REPA) with SADC, in which the current non-reciprocal access given to SADC, except South Africa, under the Lomé arrangements would be replaced by a reciprocal, but perhaps asymmetric provision for trade access in both directions. The proposal is that ACP countries could choose to form regional groups, although it is not clear how or by whom the regions would be defined, and sign REPAs with the EU, or remain outside, and have GSP access to the EU, under either the Least Developed or the other developing provisions, according to status. With both GSP and the potential REPAs still to be negotiated (the current GSP expires 2005), neither choice is well-defined.[1]

Members of SADC have access to *preferential arrangements* from other developed countries, both general and (potentially) under special schemes such as the US initiative for Africa. The evolution of preferential arrangements and the legal regime for them (including any changes at WTO level) will have implications for any asymmetric agreement between the EU and SADC. Both general and special schemes affect the costs and benefits of retaining exceptional access to the EU, and some could have implicit or explicit restrictions on any arrangements. Some SADC members have other bilateral and plurilateral arrangements with each other and with other African countries, through SACU, the Cross Border Initiative, the Common Market for Eastern and Southern Africa, the East African Cooperation, and a range of more limited agreements. CBI, COMESA, and EAC (at least) are all evolving, and their possible changes in the future could be relevant.

But in looking at the interactions and balance among these negotiations, SADC cannot lose sight of broader issues of international strategy: should it be seeking greater advantages (or preservation of existing advantages) with current major trading partners or trying to broaden its contacts? Should it be looking for a range of special arrangements with trading partners or a more comprehensive multilateral approach? These questions go beyond the particular advantages of individual negotiations, and require decisions.

While the primary focus of the study is on trade, all the economic relationships in which SADC participates or could participate have other, non-trade elements: other international flows like services; regulations, including those that directly relate to regions, but also the extension to international level of what have been purely national regimes: on intellectual property, environmental damage, and subsidies; potentially on labour, investment, political or human rights... The agenda and therefore the effects of the groups with which SADC must deal are growing, and the fourth chapter will indicate what needs to be anticipated.

This will let us define the choices available to SADC, especially in its relationships to the EU and the WTO. The fifth, sixth and seventh chapters will consider first the form such relationships might take, then two practical questions: the institutional requirements placed on SADC and the need for rules of origin to set the boundaries among the various trading arrangements which SADC has and might have.

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1 The REPA option seems to have emerged relatively late. A few months after the Green Paper was published, and a few months before the first draft of the negotiating mandate was released, Commissioner Pinheiro had indicated that the projected free trade agreement with South Africa was not a shape of things to come for other SADC countries: "The FTA proposals were developed for South Africa and South Africa alone. They do not constitute a model that will be imposed on the rest of the region. On the basis of our current analysis we do not contend that it would be in the interest of the other countries of the region, including the countries that are in a customs union with South Africa, to formally accede to a Free Trade Zone with the EU. In the short and medium term these countries would therefore continue to benefit from preferential and non-reciprocal access to the EU market, in line with the current Lomé provisions" (Pinheiro, 1997). (http://europa.eu.int/en/comm/dg08/speeches/970417.htm).

In looking at the nature of any EU-SADC agreement it is also necessary to look at the legal status of the negotiating partners. The EU has competence to negotiate as a unit. The SADC countries plan a Free Trade Area, which conventionally would have a much looser coordination. It is not necessary, therefore, to assume that there will be a uniform relation for all SADC countries with the EU (at present, there are different trade regimes with the EU for South Africa and the rest, and some special provisions, such as the sugar quotas, which affect only a few countries). In the absence of a special EU-SADC or Lomé regime, the Least Developed members of SADC would benefit from the new provisions for improved access for Least Developed countries, while others would be under GSP. As long as SADC is not a customs union, different members could give different degrees of access to the EU. This implies a wide range of negotiating positions and combinations.

Chapter 8 will define possible combinations of policies, and quantify their effects on the SADC countries and major sectors. Starting from the current situation (defined to include the Lomé arrangements for most SADC countries, the new EU-South Africa agreement for South Africa, and existing WTO arrangements), it will consider the possible changes resulting from SADC free trade, and then an agreement with the EU or broader liberalisation, unilaterally or in a WTO context. Any numbers will be uncertain, but the use of different assumptions and comparison to results of different models will indicate how robust the conclusions may be, and will also give a range of possible outcomes from any approach SADC chooses. Any strategy must be robust in the face of uncertainty and change.

But the fundamental objectives of all the SADC countries are related to development: setting their economies on a sustainable growth path, through diversification or other restructuring; questions of poverty and distribution; for some, perhaps immediate fiscal or international payments objectives. Some of these will also have a SADC dimension. A full analysis would need to consider how trade and trade policy have an impact on these. Chapter 8 therefore also looks at the effects on particular sectors and on the development potential of SADC and individual members. The conclusion then uses these results to identify the most important considerations for SADC when making its choice, and to recommend possible ways in which they can find assistance for the practical needs of negotiation.

The central conclusion is already known: the SADC countries face a set of negotiating problems that are complex in time and space, with too many possible variants in choice of trading partner, degree of liberalisation, and timing of liberalisation to permit us to present a simple hierarchy of choices or a clear timetable for decisions. For this reason, even our summary of recommendations and timing gives choices and alternatives. It is necessary to ensure that all elements of the negotiations are brought together, and more practically, that all those involved in negotiation are aware of the other choices being made. Negotiating positions in one forum can have an impact on the strength of a position in others; simply the fact of having alternative trading strategies can be a valuable negotiating tool.

Time is always a constraint on a study, but with the EU negotations and some WTO changes already under way, and a new Round scheduled to start later this year, the urgency is clear. But the number of uncertainties itself means that, as the negotiations continue and choices are made or cut off, or new choices appear, analysing the situation will be an iterative process (a multidimensional chess game with a need to revise strategies as the game develops). One constraint, however, is less acceptable: the lack of a clear data set of SADC countries' trade (and their non-trade international flows). Whatever the choice of policies, creating a good and usable data set, not just of trade, but of the real target variables of the countries must be a priority.

This report should therefore be considered as a series of preliminary background papers for those who will need to take decisions about the negotiations. The negotiating guidelines attempt to go further, to suggest a choice of strategies.

1.2 Building on previous studies

In 1997, SADC (SADC 1997) commissioned a study on the successor to the Lomé Convention which started to bring together the multilateral and EU negotiations, pointing out that the EU Green Paper (EU 1996) had preceded the new initiatives for the Least Developed countries of the Singapore Ministerial meeting of the WTO (and, later in 1997, the High Level Meeting on the Least Developed). This changed what the base position (post Lomé) will be and should have led to a reappraisal of the strategy for the ACP countries. It was concerned that the ACP 'have never really acted as a group in international fora'. This could suggest either strengthening the ACP or relying more on a separate SADC approach. It supported the former: 'The maintenance above all of ACP cohesion, unity and solidarity...would enable them to safeguard their interests within the WTO and vis a vis the EU'. It also supported 'the strengthening of the future ACP-EU relationship in all spheres', implying a primacy of EU over multilateral negotiations (and certainly over the alternative of broadening and diversifying the ACP's or SADC's economic relations). Its recommendations were to improve access for the ACP (including restoration of a differential with the other least developed countries), broadening Lomé beyond trade to 'standards, environment, competition policy, intellectual property, compliance with ILO', and services; and 'an element of reciprocity...linked to the level of economic development'. This suggests (in contrast to the recommendations of solidarity) that it envisaged different relationships for different ACP, and even SADC, countries.

In 1998, the European Commission (Imani, 1998) examined the consequences of regional agreements between the EU and six regions within the ACP countries, including SADC. These results are presented for comparison in chapter 8, and the study gives much more detail than is possible here by country and product. Although the object was to study how a REPA could be implemented, not to question whether it should be or consider alternatives, it emphasised that it was necessary to establish how SADC itself would evolve before setting a negotiating strategy with another partner. Like the earlier study, it pointed out that the new status for the least developed countries would be a complicating factor in the proposed European strategy.

The Commonwealth Secretariat commissioned a study (Stevens et al, 1998) of appropriate strategies for ACP-EU relations. This presents data comparing the value of Lomé access or potential regional agreements to the alternative of GSP, and concentrated on strategies to make the most of any bilateral deal. It also suggests improvements which the ACP could support in GSP to make this a more acceptable alternative. In particular, it looks at the possibility of finding additional measures, besides income, to measure the 'vulnerability' of developing countries, and therefore redefine the criteria for eligibility for GSP. The objective is to find measures which would allow GSP to be improved preferentially for current members of the ACP. It thus implicitly accepts the continued primacy of EU relations over multilateral for the ACP countries.

Other studies by CREFSA (1998), the ACP (1999), IDS and BIDPA (1998) and Imani (1997) have also examined changes in EU relations with all or part of SADC, and their results are also compared to ours in Chapter 8.

None of these studies attempted to look at all the choices facing SADC countries in their trade strategy. While noting what had actually happened at the multilateral level, notably the least developed initiatives and the evolving WTO attitude towards the regulation of regions, they did not attempt to place the different negotiations facing SADC into a single context.

2. Current Trading conditions: SADC -EU and SADC in the world

2.1 SADC and Lomé trade preferences: benefits and key lessons

EU-SADC trade and intra-regional trade

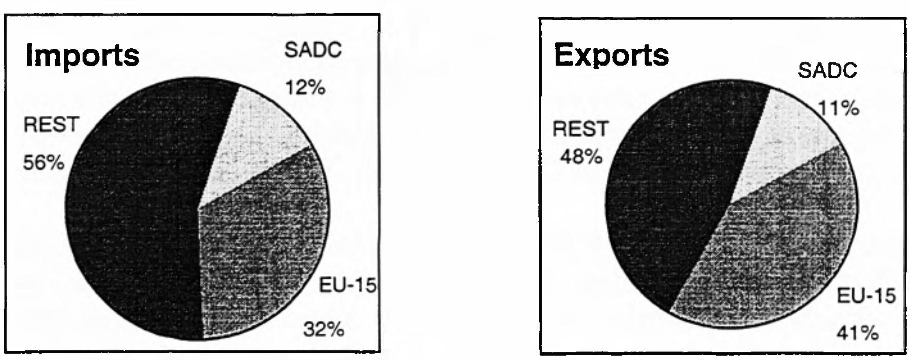
The EU accounts for about one third of SADC exports and imports, i.e. less than for other African regions, but EU trade with SADC has been growing over the nineties, largely owing to increases by South Africa. The region as a whole is less dependent on primary commodities than other ACP regions, because of the performance of particular countries (notably Mauritius), but it is very dependent on the agricultural protocols. Its agricultural structure makes it the most directly competitive ACP region for Europe (in temperate products).

Table 2.1: SADC trade growth 1980-1995, by destination (percentages)

	EXPORTS				IMPORTS			
	Annual growth rate				Annual growth rate			
	80/85	85/90	90/95	80/95	80/85	85/90	90/95	80/95
SADC	1.2	19.7	22.2	14.0	1.2	19.7	22.2	14.0
EU-15	-4.5	9.8	3.1	2.6	-4.5	-5.9	23.4	3.5
REST	-7.4	6.8	-0.1	-0.4	-10.5	19.3	-1.8	1.6
TOTAL	-6.4	8.2	2.6	1.3	-7.7	10.7	7.1	3.0

Source: IMF, 1997, Direction of Trade Statistics.

Figure 2.1: Regional distribution of SADC trade, 1995



Source: IMF, 1997, Direction of Trade Statistics.

Lomé trade preferences were intended to foster diversification and growth of exports. The various assessments of the trade benefits derived by the ACP from the successive Lomé conventions have stressed the overall weak impact of Lomé trade preferences in helping ACP countries to achieve these goals (Davenport, Hewitt and Koning, 1994). The share of the ACP in Europe's imports has fallen by half over the successive conventions, while those of other developing regions such as Latin America and South East Asia were growing.

Mauritius is the single country in SADC (and in the whole ACP group) that experienced both a shift towards higher value-added (largely manufactured) products and an increase in such exports to the EU (Imani, 1998, p. 79).

Success in growth and diversification of exports has been confined to certain countries, which have been able to take advantage of preferential market access, and certain products, for which the Lomé trade regime granted a significant preference margin over competitors (textiles and clothing, fish, cut flowers) or a generous quota allocation (sugar, beef), making textiles for Mauritius and horticulture for Zimbabwe particularly important gains.

The product protocols have had the most important (in quantitative terms) impact on ACP countries. The EC itself (in FAO, 1997) pointed out this preponderance. The benefits are highly concentrated, in SADC particularly in sugar and on Mauritius. And the relationship goes the other way: the countries and commodities which benefit from the protocols are heavily dependent on them (Figure 2.2).

SADC countries which have benefited by finding new products to export to the EU were, for horticulture: Mauritius, Zimbabwe, and Zambia; for clothing: Zimbabwe and Mauritius; for cotton yarn: Zambia and Zimbabwe; for canned tuna: Mauritius and Seychelles (Imani 1998, p. 80.). These are all products with a high preference margin between the ACP countries and even other developing countries which receive GSP privileges. On other products, successive GATT trade rounds and improvements in GSP have reduced the margins.

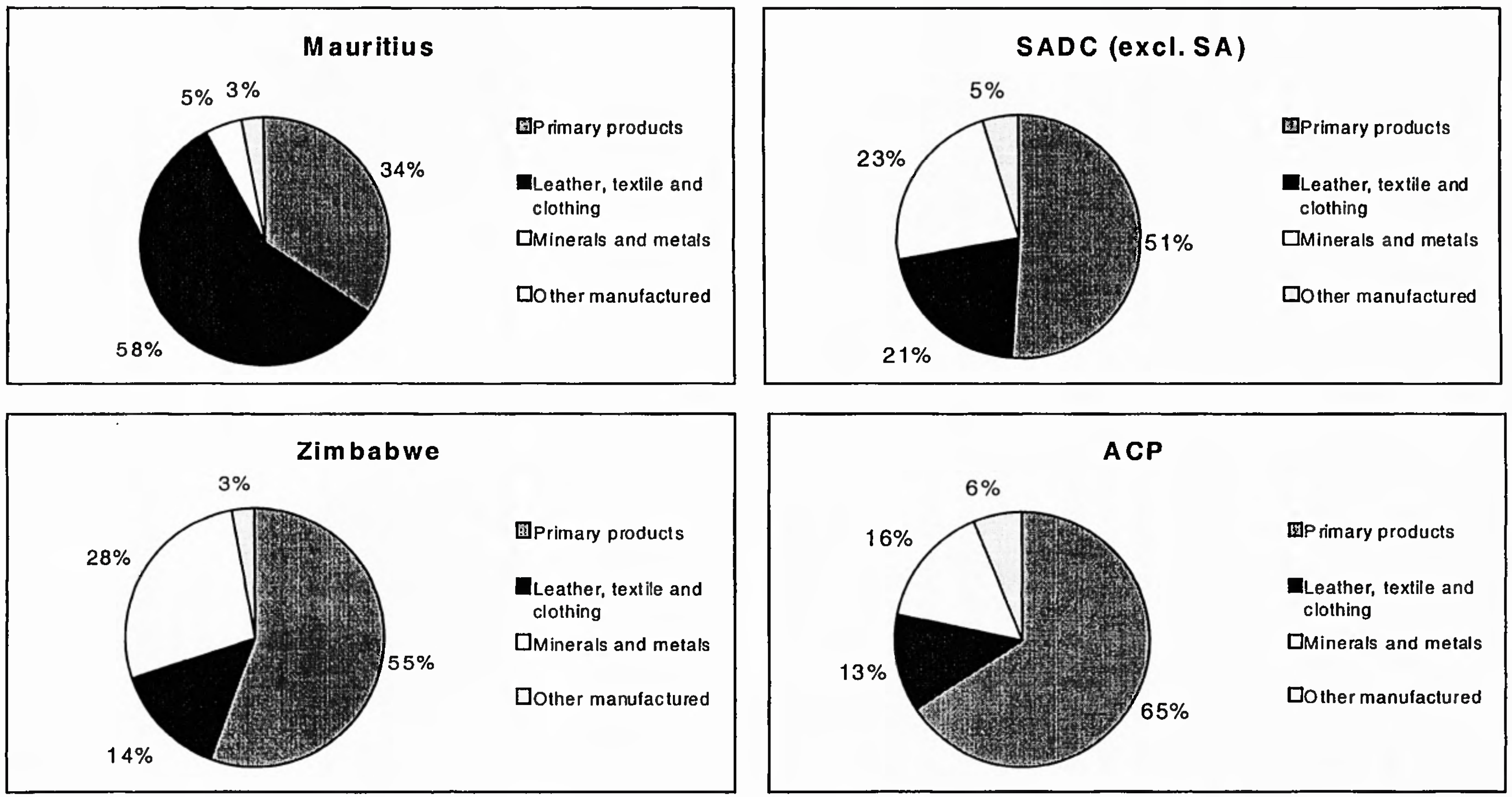
But even for the trade protocols, analysing the benefit of Lomé depends on the comparison that is made: many of these were designed to counter the effects of the Common Agricultural Policy (CAP), by allowing limited, but high priced, exports. If the CAP itself were reformed, this would reduce these 'benefits'. And they did not counter all the effects of the CAP.

Table 2.2: Dependence of ACP beneficiary countries on their exports of protocol products (% total exports)

% of total export earnings from the EU	*Sugar*	*Beef*	*Bananas*	*Rum*
more than 70%	St Kitts & Nevis **Swaziland**		St Lucia Dominica	
40-70%	Guyana Barbados Belize		St Vincent	Trinidad & Tobago
10 - 40%	Fiji **Mauritius** Jamaica Trinidad & Tobago	**Botswana**	Belize Grenada Jamaica	Bahamas
1 - 10%	**Malawi** Madagascar **Tanzania**	**Namibia** **Zimbabwe**	Surinam Cape Verde Cameroon Côte d'Ivoire	Guyana Barbados Jamaica

Source: ECDPM Lomé Infokit 3, updated with 1997 trade figures; SADC countries in bold.

Figure 2.2: Structure of Exports to the EU - 1997



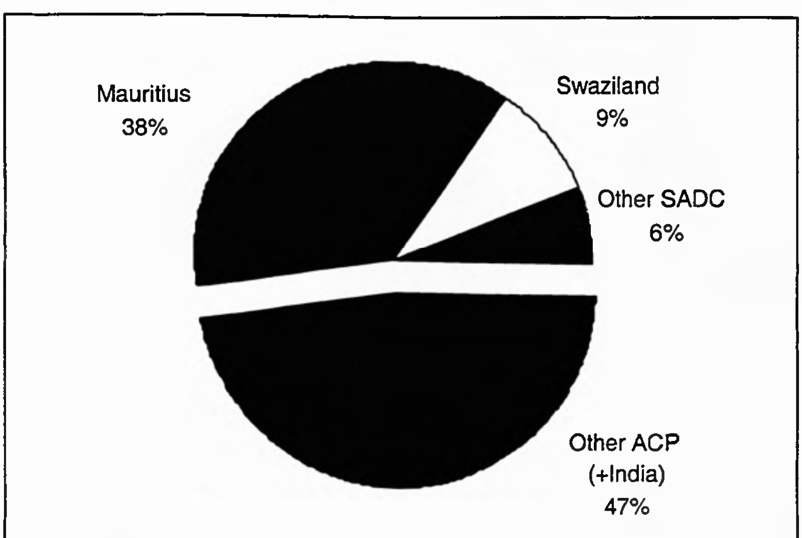
The protocols for sugar, beef and veal, bananas and rum give free access to EU markets for a fixed quantity of exports from selected traditional ACP suppliers. The beef and sugar protocols grant eligible ACP countries a high price based on the internal EU price established by the CAP. Of these four protocols, only sugar and beef/veal benefit SADC countries. As shown in Table 2.2, Swaziland, Mauritius and Botswana are dependent on these protocols for a substantial share of their export earnings.

Sugar

The Sugar protocol is annexed to the Lomé Convention, but unlike the three others, it is formally independent of it. Under its commitment within the protocol, the EU purchases a certain quantity of cane sugar each year from traditional ACP sugar exporters, at guaranteed prices. This quantity is presently fixed at 1.3 million tonnes, by the quota entered by the EU for the ACP at the WTO.[2] This commitment is indefinite and the prices are linked to the internal EU price, usually 2 or 3 times the world price. The benefits to exporting countries, linked to price stability and guaranteed market access in an otherwise heavily protected market, are substantial.

As Figure 2.3 shows, SADC countries are allocated more than half the ACP Lomé quotas, with Mauritius accounting for 37.3 percent, far ahead of Swaziland (9 percent). Other beneficiaries in SADC include Zimbabwe (2.3 percent of the quota) and Malawi (1.6 percent), Zambia, DR Congo and Tanzania (less than 1 per cent each). Mauritius is therefore the major beneficiary of the protocol, and it remains dependent on it. In spite of its well-known success in diversifying away from sugar into manufacturing, sugar still amounts to 6% of the Mauritian economy's GDP, a quarter of total export revenues and almost thirty percent of its exports to the EU.

Figure 2.3: Allocation of quotas under the Sugar Protocol between SADC countries and other countries

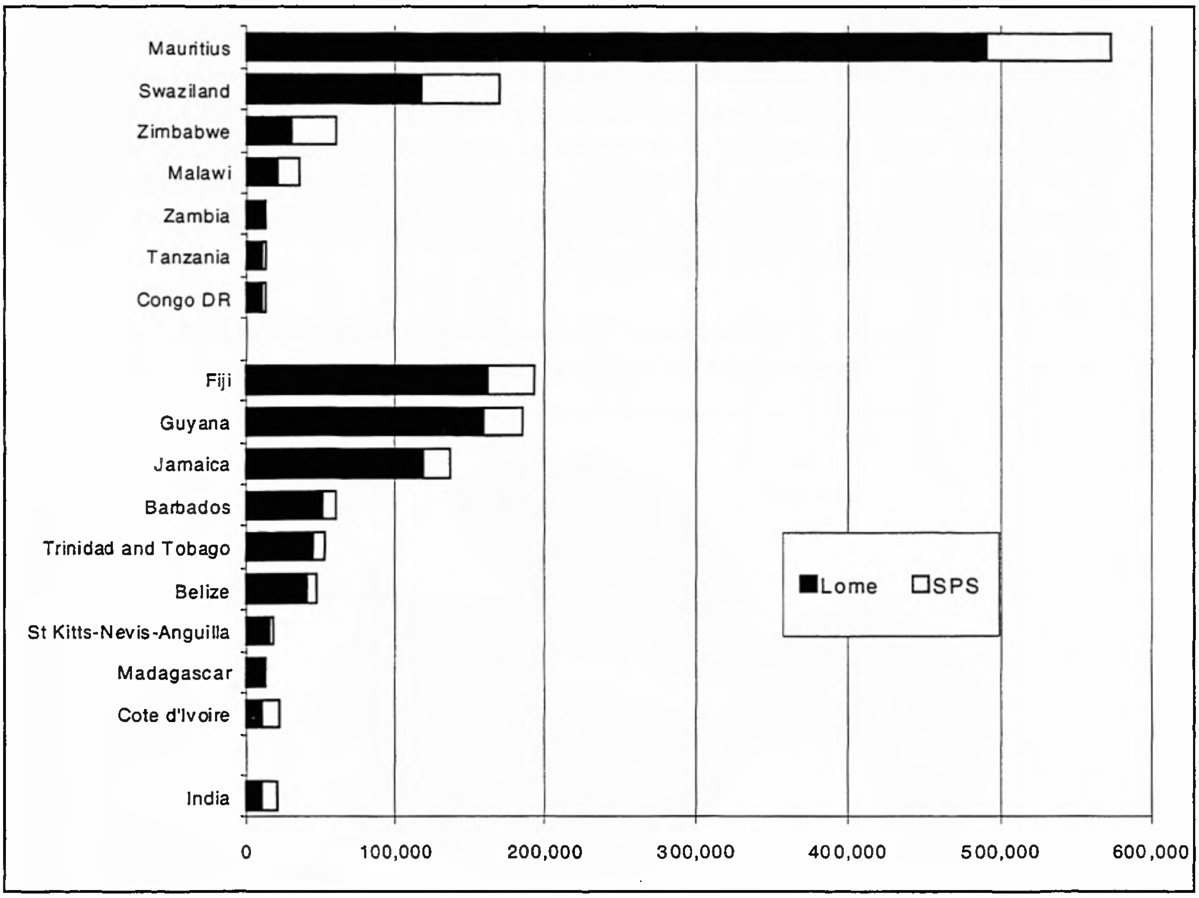


Source: SASA, 1997

2 The ACP quota is actually 1,279,700 tonnes. There is a 10,000 tonne quota for India.

In addition to the Lomé Sugar protocol quotas, new supply arrangements - known as Special Preferential Sugar - were introduced by the EU in 1995, in the context of the review of its sugar policy (see below). The Preferential agreement provides that between 1995/96 and 2000/01, the EU would open special tariff quotas for the import of raw sugar from the ACP. The price paid is less than under the Sugar Protocol (by 8.1 Euros per 100kg). The original purpose was to meet Portugal's refining requirements, which were traditionally supplied by African countries, three in SADC (Malawi, Swaziland and Zimbabwe) plus Côte d'Ivoire. As a result, once these allocations are added to those of the Sugar Protocol, the shares of these three SADC countries in total quota allocation rise a little: from 9 to 10.5 percent for Swaziland, from 2.3 to 3.7 per cent for Zimbabwe and from 1.6 to 2.1 percent for Malawi. Mauritius nevertheless still dominates (Figure 2.4).

Figure 2.4: Allocation of European sugar quotas by countries (Sugar Protocol and Special Preference Sugar, in tonnes per annum)



Source: SASA, 1997.
Note: (*) shortfall allocation, i.e. Zambia, who has a zero-quota, is granted one only when other suppliers can not fill their own.

Beef and veal

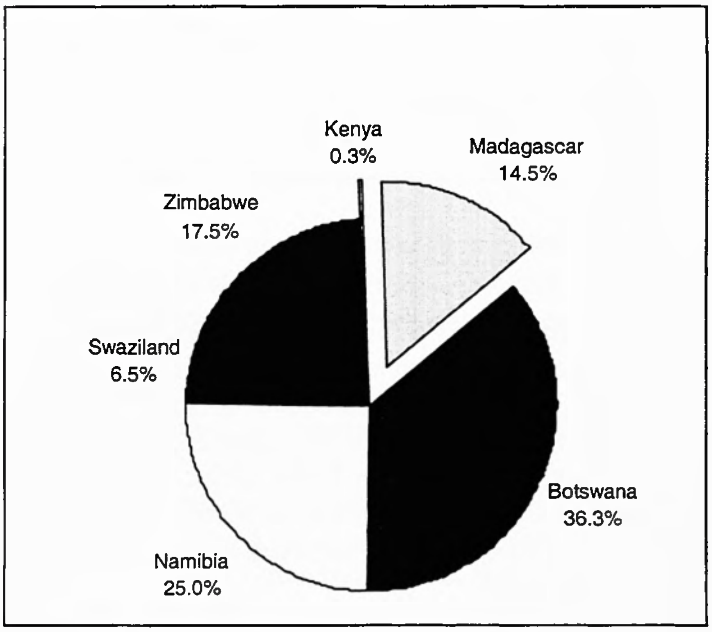
The Beef and Veal Protocol was created to compensate for the distortions created by the CAP and maintain the positions of traditional ACP suppliers in the EU market. The scheme - extended to Namibia in 1991 - mainly benefits SADC countries. Under Lomé IV, Botswana, Namibia, Swaziland, and Zimbabwe, with Kenya and Madagascar, benefit from a 92% reduction in the variable levy on EU beef imports established by the CAP(see quotas in Table 2.3). Without this reduction, ACP suppliers could not enter the EU market. Even the 8 percent paid as special duty represents a substantial portion of the cost of marketing the beef into the EU (as much as 31.4 percent) (ERO 1998).

Table 2.3: Quotas allocated to ACP producers through the beef protocol (tonnes of boneless beef)

SADC	Botswana	18,916
	Namibia(*)	13,000
	Swaziland	3,362
	Zimbabwe	9,100
Other ACP	Kenya	142
	Madagascar	7,579

Source: McQueen et al., 1998.
(*) Namibia's original quota of 10,500 tonnes was raised to 13,000 tonnes in 1993.

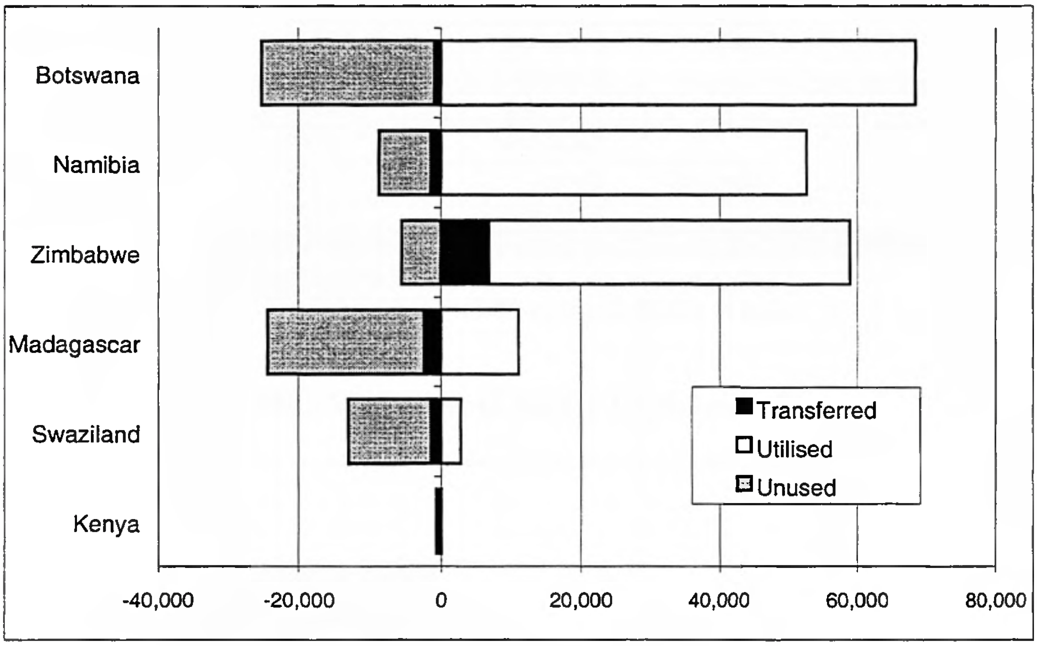
Figure 2.5: ACP Beef Quotas, 1993-1998



Source: McQueen et al., 1998.

Under-utilised quotas can be allocated to other beneficiaries upon request and subject to mutual agreement, as was the case in 1994 and 1995 when unused quotas were transferred to Zimbabwe (McQueen et al., 1998, p.141-14). ACP countries have traditionally had difficulty in filling the quotas, notably because of supply constraints (drought) and the high phyto-sanitary requirements of the EU. However, apart from Swaziland, SADC countries are the ones that have made the best use from this protocol. Botswana in particular has been a major beneficiary: between 1990 and 1994, it received annual payments of 24 million ECU from the export of beef to the EU. Zimbabwe also has mostly filled its quota and taken advantage of the reallocations it has been granted. The other potential beneficiaries - Kenya, Madagascar, Swaziland - have not generally met their quotas and thus have benefited less from the protocol (see Figure 2.6).

Figure 2.6: Cumulated utilisation of beef quotas by ACP countries, 1992-96 (tonnes of boneless beef)



Source: Calculated from McQueen et al. 1998.

The beef protocol may aim to make up in part for the obstacles erected by the Common Agricultural Policy (CAP) on the European market, but it cannot make up for other negative impacts of the CAP, e.g. unfair competition of subsidised European food exports in ACP markets. A case occurred in SADC, where EU subsidised beef exports to South Africa displaced Namibian exports. In South Africa, which accounts for over 80 percent of Namibia's beef exports, prices offered for Namibian beef fell by 4 percent in 1994, 5 percent in 1995 and 6.5 percent in 1996. Sales of cattle from the main region of production contracted by 40 percent.[3]

Future of protocols

As seen above, the future of the sugar and beef/veal protocols is of crucial importance

[3] See NNFU (1998) The paper argues that in 1996, EU export refunds for exports to South Africa were 2.5 times higher than the FOB value of the beef exported. Since January 1997, export refunds/subsidies have been reduced by 70 percent.

for many SADC countries, especially non-Least Developed (Mauritius and Swaziland for sugar; Botswana, Namibia and Zimbabwe for beef), although Malawi and to a lesser extent Tanzania would be affected as well by any reduction in the benefits accruing from the sugar protocol. It is already certain that benefits will erode; even the continuation of the two protocols is by no means sure.

First, changes in the EU's agricultural policy will cause the erosion of the benefits from both protocols:

- Sugar quotas set by the EU protocol and bound in GATT are unlikely to be raised (McQueen et al. 1998). On the contrary, on the occasion of the ending of the current sugar quota regime in 2001, the EU is very likely to lower its support to internal prices. Prices are expected to fall by about 20 percent. As for the preferential sugar which is not bound in GATT but extended unilaterally by the EU, it is unlikely to be consolidated into the Sugar protocol, and could be phased out.

- Similarly, beef quotas are very unlikely to be raised: the EU is struggling with overproduction and the ACP have not fully used their quotas. The main expected change is the 30 percent cut in prices proposed by the Commission in the context of the ongoing CAP reform, bringing them closer to world prices. The extent to which the EU will be using phyto-sanitary regulation and other standards will also determine the capacity of ACP suppliers to continue deriving benefits from the protocol (ERO, 1998).

Secondly, the Lomé renegotiation will affect the protocols, and may even lead to their discontinuation. The EU's proposal is unclear on this. The European mandate states:

> The banana, beef and sugar protocols will be reviewed in the context of the negotiation of economic partnership agreements with the ACP States and in accordance with WTO rules, and taking account of the special status of the sugar protocol. (EU Council, 1998, p.23).

This leaves the door open to any outcome. The explicit reference to the Sugar Protocol seems to hint that in spite of its 'special status', i.e. the fact that it is legally independent from the Lomé convention, it will be reviewed and possibly altered.

In the terms of reference of its impact studies for the proposed REPAs, the European Commission assumed that the commodity protocols would be discontinued in the absence of REPAs, while with REPAs, they remain in place (ECDPM, 1999). Although the EC says that these terms of reference do not represent its thinking for any future implementation, this is bound to be taken as a strong signal. Different voices can be heard within the European Commission: some believe all protocols will be phased out (including sugar) beyond 2005 for all ACP countries, regardless of whether they join in a REPA or not; others see protocols as a ' non-trade issue', which requires to be tackled at the political level. This could mean that even in the course of a harmonisation of European trade policies under the multilateral system, some form of special commodity arrangements could be maintained, provided necessary arrangements are made - or waivers obtained - with other WTO members.

2.2 SADC and WTO

In spite of their relatively low dependence on exports to the EU, SADC countries (both the ACP countries and South Africa) have put a heavy weight on their trade relations with it. The ACP countries have chosen to centre their efforts on the EU, because Lomé offered better access than the GSP available at multilateral level, and probably also because of familiarity. Until recently most of South Africa's exports were primary goods, facing low or no barriers in all markets, and, until the new government, it was not able to take an active part in trade negotiations. In addition, it is classified as a developed country within the WTO (it never requested developing status when this was introduced in the 1970s), and therefore it had no possibility (under Most Favoured Nation rules) of special treatment.

Table 2.4 shows how limited and how Brussels oriented the activities of the SADC countries have been. Some are still not represented in Geneva, and even those who are have very limited numbers. Seychelles is not yet a member, although it is negotiating membership. It is notable that a prominent exception to the low level of staffing in Geneva is Tanzania, responsible for trade within SADC. A WTO consultant has estimated that a minimum of 4-5 people is required for a mission to represent a country adequately in all the WTO scheduled meetings (Michalopoulos 1998, p. 12).

Table 2.4
Country membership and representation GATT/WTO 1982-1997, by location and number of mission staff

	Geneva			Europe			Capitals		
	1982	1987	1997	1982	1987	1997	1982	1987	1997
EC	9	13	18						
Angola			1						
Botswana									1
Lesotho						3Br			
Mauritius			4	1Br	1Br				
Mozambique									1
Namibia						3Br			
South Africa	3	5	6						
Swaziland									1
Tanzania	2	7	5						
Zaire (Dem. Rep. of Congo)	4	3	1						
Zambia			4						
Zimbabwe		5	4				1		

Source: Michalopoulos (1998)
Br means Geneva representation covered from Brussels (not total representation in Brussels).

Table 2.5: WTO membership and classification of SADC countries in the WTO(*)

Government	Entry into Force / Membership
Least-Developed	
Angola	1 December 1996
Democratic Republic of the Congo	1 January 1997
Lesotho	31 May 1995
Malawi	31 May 1995
Mozambique	26 August 1995
Tanzania	1 January 1995
Zambia	1 January 1995
Other	
Botswana	31 May 1995
Mauritius	1 January 1995
Namibia	1 January 1995
South Africa	1 January 1995
Swaziland	1 January 1995
Zimbabwe	3 March 1995
Seychelles	Observer, has applied to join

(*) The WTO recognizes as least-developed countries those countries which have been designated as such by the United Nations. There are currently 48 least-developed countries on the UN list, 29 of which to date have become WTO Members. There are no WTO definitions of 'developed' or 'developing' countries. Developing countries in the WTO are designated on the basis of self-selection.

Source: WTO website, February 1999.

This would not have been unusual for developing countries in the years before the Uruguay Round, although for non-ACP countries, the focus was UNCTAD, not a single trading partner. The GATT dealt mainly with manufactured goods (agriculture was effectively excluded until the Uruguay Round, 1986-1994), and even here clothing (the most widely produced manufactured product in developing countries) was subjected to a separate, restrictive regime in the Multifibre Arrangement. Developing countries could legitimately feel that GATT subjects were not of great interest to them, and, on the other side, developed countries were not concerned by competition from countries accounting for only 10% of world trade in manufactures (as recently as 1980), and about 20% of total world trade. Even the mechanics of GATT negotiations excluded most developing countries: the custom was for the principal suppliers and principal purchasers to negotiate a settlement for each good, and then extend it to the others. For most of the SADC countries, therefore, passively accepting others' negotiations was the best they could hope for, whether in or out of GATT.

The previous path for most developing countries outside the ACP had been through general preferences (GSP). From 1971, GATT allowed developing countries to have more freedom in their own trade policy, but also allowed developed countries to offer them preferences. This meant that it had two criteria under which countries could breach the normal rule of equal treatment for all fellow members: on the basis of level of income or development and on the basis of a demonstrated close relationship. From the beginning, GATT had allowed 'regions', defined as areas that were customs unions (and therefore, from a GATT point of view, equivalent to countries in their relationship to the rest of the world) or free trade areas, with free trade among themselves, but not a common external tariff, as in a customs union. The importance of preferences, which were granted unilaterally by developed countries, meant that developing countries did not have, for most products, a direct interest in the GATT outcomes (in fact, because general tariff reductions meant smaller margins of preference, they might prefer unsuccessful GATT outcomes).

Another possible discouragement to active participation in trade negotiations has been the approach of the international financial institutions. In contrast to the bargaining which is the essence of GATT or WTO, these have supported unilateral changes in tariffs, as part of adjustment programmes, with no necessary relationship either to international timetables or to reciprocal reductions by trading partners.

By the beginning of the Uruguay Round, however, developing countries' share in manufactures and in total exports had risen to 13% and 26% respectively, and by the end, 20% and, 30%. Partly as a result, the Round extended coverage to agriculture and took steps to bring clothing back into WTO regulation. While most African countries (and the SADC countries in particular) were still small and primary producing, and therefore still of little interest in themselves to the rest of the world, it ceased to be true that the WTO was irrelevant to them. Even the MFA reforms were relevant, because the ACP countries will lose the 'preference' of being excluded from the controls.

The active involvement of some developing countries in the Uruguay Round brought the first explicit differences of treatment for them in the final settlement (previous preferences had been permitted by GATT, but not explicitly specified by it, and concessional, not contractual). As well as the negotiating achievements of agricultural and clothing exporters, there were three levels for compliance for many of the settlements, for developed, developing, and least developed countries.

The way in which agriculture was brought into the international system (and the reforms also made in manufactures) increased the emphasis given to the formal GATT requirement that tariffs be 'bound'. This limit on countries' freedom to change their tariffs (although the bindings could be at very high levels) meant that there was a decrease in national policy independence. There were strong (and generally successful) efforts to extend the binding to all developing countries. Most of the SADC countries have bound their tariffs. Although not immediately a constraint, as most are above the current levels, this is a potential limit.

The institutional strengthening of the GATT as it was transformed into the WTO was also very relevant to the SADC countries: the rules on regions were made more precise and the exemptions for developing country regions were narrowed. (For a full discussion of WTO rules on regions, see Appendix 1, taken from Imani 1998.) The basic criteria deal with the time allowed for transition (now restricted to 10 years, but with provision for WTO to allow more) and the amount of trade to be covered. The new rules merely reiterated the requirement that a region cover within itself 'substantially all trade, but 'in the corridors', some consensus on 'substantially' seems to be emerging. It must include all sectors (agriculture was excluded or given differential treatment in many previous regions), and the figure of 90% is frequently mentioned. But so far no region has been approved or rejected under the new rules, although the new Committee on regions is close to reporting on a few. But until there is some case law and perhaps some challenges under the dispute procedure there is no formal ruling on how much regions must include, and regions must risk being refused.[4] There are also tightened rules for common external tariffs, but these do not affect free trade areas like SADC.

The new rules will affect SADC itself (and within it SACU) and Lomé: after being allowed to exist, Lomé was challenged, and although allowed to continue under a waiver (until 2000), WTO jurisdiction (and disapproval) were made clear. SACU has 'grandfather' status, as it predates GATT itself, but would probably meet even the newest rules. SADC's compliance will not be tested until the trade protocol has been adopted, and SADC is then notified formally to the WTO. (At present it has observer status.) This could be under either Article XXIV or the Enabling Clause, because all members except South Africa are developing countries. The procedure for examination is now the same, but there is more flexibility in the requirements.

The protocols, which as we have seen are the main benefit of Lomé to some SADC countries, came under pressure from two directions in the Uruguay Round. They depend for their value on the highly protected agriculture of the EU; the agricultural reforms showed an intention (not an achievement) of reductions in this. Second, although allowed as existing arrangements, the climate of opinion was shifting against them, as shown by the cases on bananas, some of which could have legal implications for sugar, and all of which suggest declining acceptability. Although sugar's deviations from the rules are relatively minor (how tariff quotas are allocated to minor suppliers[5]), it is vulnerable.

The Round also brought an extension in the regulatory side of WTO (discussed in more detail in chapter 4), with requirements on intellectual property laws, provision for standard anti-dumping procedures, requirements on customs valuation and use of preshipment inspection, etc. Although many of these were delayed for developing and least developed countries, they were not exempt, and need to learn the rules, and in some cases adapt their legislation.

Whatever the direct benefits of possible outcomes of negotiations at multilateral level for the SADC countries, the potential for damage to their interests strongly suggests that they need to reconsider their policy of neglect of the WTO. Participation is particularly important because (unlike the international financial institutions which have the power to take their own initiatives or to identify and criticise countries not

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4 The WTO does not itself look for violations of its rules. The process relies on complaints from other members (analogous to civil, not criminal courts).

5 Quotas for minor suppliers (under 10%) are challengeable. Mauritius is major; Swaziland is above 10% only if the new quotas are included; the other SADC suppliers are under 10%.

conforming to their rules), the WTO is a 'member-driven' organisation, 'meaning that the bulk of the analytical work, the development of proposals as well as the negotiation of agreements falls on the member countries and their representatives' (Michalopoulos, 1998 p. 3).

3. How trading positions will change

Whatever SADC may negotiate with the EU, it will not produce final results for at least 15 years (taking the normal minimum assumptions of 5 years to negotiate an agreement and 10 years to implement it). Therefore, we need to compare the potential benefits not to the current situation, but to what may be in place in 2015. This is of course highly uncertain, but it is less risky than assuming that nothing will change. And some changes are already certain, at least in direction.

3.1 WTO: built in agenda and current expectations

The Uruguay Round left some unfinished business, the 'built-in agenda', and some where it was clear that further review would be needed within a few years. The two most important areas in trade were in agriculture and in services, in both of which WTO members were required to open new negotiations by 2000. The question remains open (at least until the formal opening at the end of November 1999) whether there will be a limited Round, dealing only with these pending items (and possibly some relatively uncontroversial tariff changes), limited in time to secure some advantages, especially in agriculture, as soon as possible, or a full Round, with the possibility of opening all the subjects covered by the Uruguay Round plus a 'new agenda', extending the WTO's competence into areas like trade in environmentally damaging (or friendly) goods, investment, competition and other company policy, labour, more extended control of national legislation with potential effects on trade, etc. The EC appears to be supporting a full round, while many developing countries believe that the unfinished business from the last Round (implementation of agreements such as the MFA, for example) should be completed before new subjects are introduced. From the point of view of the time horizon of SADC's planning, however, this may not change the long-term outcome, although clearly it affects what it must treat as a priority. If there is only a limited round, then it would be generally expected that there would be a full round relatively soon after, perhaps in the late 00s, certainly by our horizon of 2015.

In agriculture, WTO expectations (consistent with the objectives of the EU's own Agenda 2000 for reform of the CAP) are that tariffs could fall by a third. In particular, there may be reductions in the very high tariff peaks (following the conversion from quotas to tariffs, some reached 1000%), and this will also be required of developing countries. The negotiating question is whether there will be general, flat percentage, cuts across the board, or concentration on eliminating the lowest tariffs (the 0 for 0 strategy). The latter could reduce the pressure for sensitive goods to see reductions. For SADC exporters of most goods, and certainly for exporters to areas outside the EU, reducing peaks is clearly more important, but the protocols mean that other countries gain from high protection. All SADC members therefore have an interest in influencing the outcome.

There may be particular pressure to reduce export subsidies (considered even more distorting than high tariffs), and this could be of particular benefit to some SADC countries. For food importing countries (which effectively benefit from subsidy regimes in exporters), negative effects would of course be offset by the removal of distortions, but could also be treated more directly by concessions on what credits could offer to them.

There is support among some agricultural exporters for trying to look again at the 'Green Box', the subsidies or other assistance to agriculture which are acceptable under the Uruguay Round agreement, and moving at least some of the measures which may be particularly distorting into more controlled categories. The problem is that those which are most damaging to competing exporters, including income support to producers (if this is direct, not tied to output, it is 'Green'), and payments for regional assistance, are those which are being suggested as ways of reforming the CAP and other developed country measures. They are, however, doubly distorting, not only for their effects on protecting farmers, but because it is (in general) only the developed countries which can afford such payments.

The WTO expectation is that the round will be generally about amounts, of tariffs or subsidies, etc., not about changes in the rules (a major achievement of the last round). As well as any cuts made in the round, it is possible that a programme of further reductions will be agreed. A minimum assumption would be that by the end of the immediate Round, and certainly by the end of any subsequent fuller round, agricultural support could fall by more than a third, perhaps by a half. Developing countries were allowed longer delays, but not exemption, from the agreements in the Uruguay Round, so the same pattern may be observed, but even these delays would be finished by 2015.

In services, the agenda is expected to be broader, not only attempts to increase the market access that was obtained in the original agreement, but to extend liberalisation to some issues such as transport on which little progress was made than. Subjects like telecommunications and finance, on which there have been new agreements since that Round, may also be re-opened. The procedure may be to try to make the schedules of offers (and therefore potentially the negotiations) more systematic, perhaps to develop a system of model schedules, which countries could then present, with their own modifications. This would put pressure on all countries to offer more. Although there is no proposal to go from the 'positive list', of what countries want to include, to a 'negative list' system, standard schedules would make omissions more obvious. It could also offer a 'standard' of good practice which countries could be seen to match. There is still no agreed way of quantifying services liberalisation or control (the WTO is trying to improve data, but only on services themselves), but the assumption must be that all countries will be expected to move in the direction of liberalisation across a wide range of services. (This is discussed in more detail in chapter 4.)

Tariffs are likely to be on the table in even a short Round, and would certainly be included in a longer one.

There will be more countries in the Round, with more developing countries (like the Seychelles) deciding to join, as well as the entrants from the formerly centrally planned economies, most notably China. This has different potential effects. Many are agricultural exporters (at least potentially), so that lobby's strength may increase. But there has been a tendency for the WTO to insist that new countries take fewer exceptions from rules, even when they might be entitled to this by their income level. This has created some expectations by both developed WTO members and the new entrants that existing developing country members may need to reduce their use of exceptions and concessions.

The regulatory issues introduced in the Uruguay Round could be raised again, as well as new ones. The rules for regions which were revised in the last Round could be made more explicit, as there will soon be some direct evidence of how they are working. But there are no current proposals for reform.

There is a view, certainly in the WTO, and possibly in some major countries, that the Round 'will be mainly about development', if only because the obvious tariff and sectoral reforms were made in the last Round. But against this is the fact that many of the items on the potential new agenda are more about regulation. This could help development, by increasing the security and predictability of systems, or hurt it, by reducing freedom to take own actions, but the support for it comes from the increasing integration of the developed countries.

We assume that the Round could result in a reduction in all tariffs by all countries by 50% by 2015, slightly more than the equivalent of two Uruguay Rounds (the Uruguay Round produced cuts averaging about a third). With many tariffs already low, and the determination to progress on agriculture, this does not seem unreasonable.

3.2 Preferential arrangements

The GSP has not been of direct interest to any of the SADC countries for most of their history. Only South Africa in recent years has received this treatment, but this was in a period when it was negotiating a special deal with the EU. One important change in the current (post-1986) EU GSP was from setting absolute (lower than MFN) tariffs to specifying the reduction on the MFN tariff as a percentage. This means that even if there is no change in GSP itself (and it has been drastically reformed at each renewal, with the next due in 2005), any results of a WTO round will alter (and reduce) its value. Two trends have been important, and may indicate the direction in which GSP may move in future reforms. The first is increasing differentiation in the degree of preference given. The current EU scheme has four levels of preference (according to the degree of sensitivity of products), different treatment of industrial and agricultural goods, and the potential (not yet used) to offer additional degrees of preference for good environmental practice (the preferences would be in the specific goods affected) or observance of certain labour standards (preferences extended on all goods). The second is differentiation among countries. The more advanced or competitive countries can be graduated out, in total or for particular products (based not merely on income, but on success in exporting manufactures); an extended regime exists for least developed countries; there are special arrangements for some countries exporting drugs in Latin America.

Proposals for reform at the next renewal have suggested some simplification in the number of levels of preference (suggested, but not done at the time of the mid-term review in 1998), but increased differentiation among countries. One proposal is to increase the number of income categories, thus allowing increased preferences for some countries just above Least Developed without causing the protectionist opposition that would arise against extension to all developing countries, and perhaps a reduced preference band for advanced countries not yet to be graduated. (As mentioned in chapter 1, there are also proposals to change the way in which countries are differentiated, to include additional indications of vulnerability.) There have also been proposals to increase the number of ways in which countries can earn special treatment, adding other criteria to environment and labour. All of these introduce *de facto* much greater discretion for the developed country offering GSP, to decide what is an appropriate index of vulnerability, to choose criteria and decide who meets them, to decide the various division points. (Even keeping income as the criterion allows decisions about the last if the number of levels is increased.) Therefore, while a move in the direction of increasing preferences or altering the structure to allow the EU, effectively, to try to recreate Lomé (by choosing the criteria appropriately), might preserve the current degree of access of ACP countries, it would do so at the cost of increasing the uncertainty and vulnerability to decisions by the EU. (A regional arrangement would be contractual like Lomé.) It must also be questioned whether significant differentiation and improvement of this type is a realistic option. Either the EC's proposal to move from Lomé to preferential areas is purely because of (unwilling) compliance with WTO rules or it is for other reasons, in particular a desire to reduce preferences and increase access for EU exporters. If it is the former, finding a way of manipulating GSP might be a feasible solution, but if it is the latter, then there is no reason why the EC should agree to what would be a major extension of Lomé.

The consequences will very much depend on the attitude of the European Community with regards to the GSP. If the Community is genuine about the 'menu' approach, then making the GSP more generous would allow each ACP country to have a real choice whether or not to join in an REPA with the EU. Conversely, if the Community has a strong preference for the REPA option, it may be more inclined to leave the GSP more or less as it is. The European Commission's mandate states that the interests of non-least developed ACP countries will be taken into account, but it does not give any guarantee as to how close to Lomé IV it will be.[6]

The increasing differentiation which has already occurred was reinforced by the initiative by the WTO to provide secure special treatment for the Least Developed (proposed at the Singapore Ministerial meeting, 1996, and dating from a High Level Meeting in 1997). Under this initiative, all developed (and some advanced developing) countries were asked to guarantee better access to the least developed. The EU improved the existing special provisions of its GSP to equal full Lomé access for industrial goods and for some agricultural goods (not those under the CAP), although non-ACP least developed countries must still use GSP rules of origin, not the more generous Lomé rules. This very recent initiative, unlike GSP, is not time-bound, so the secure position of the Least Developed countries can be assumed to continue through the period we are studying, while GSP access for developing countries may improve in absolute terms (if any of the proposals for reform are accepted), but could simultaneously decline in relative terms (if MFN rates fall). If the WTO continues to stress the position of the least developed, the main differences in treatment in any future Round may also be concentrated there, with relatively little or no special access for

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6 "[...] the Council and the Commission will take into account [the non-LDCs'] interests in the review of the GSP in 2004". (EU Council, 1998, p.18, note 8).

Table 3.1: Potential forex cost of losing Lomé trade preferences

CN_1995 and description	Monetary equivalent (Ecu 000)			% of total monetary equivalent	
	SADC	non-SADC	Total	total SADC	total ACP
17011110 raw cane sugar, for refining	238,938	230,495	469,433	65.3	61.2
02013000 fresh or chilled bovine meat, boneless	37,697	0	37,697	10.3	4.9
17011190 raw cane sugar (excl. for refining)	22,965	1,325	24,290	6.3	3.2
24012010 partly or wholly stemmed or stripped flue-cured Virginia type tobacco	16,100	181	16,281	4.4	2.1
61091000 t-shirts, singlets and other vests of cotton, knitted or crocheted	9,617	458	10,075	2.6	1.3
16041418 tunas and skipjack, prepared or preserved	5,990	42,050	48,040	1.6	6.3
03037810 frozen hake 'merluccius spp.'	5,943	0	5,943	1.6	0.8
61101091 men's or girls' jerseys and similar articles, of wool, knitted or crocheted	4,123	637	4,760	1.1	0.6
62052000 men's or boys' shirts of cotton	3,968	205	4,173	1.1	0.5
16041414 tunas and skipjack, prepared or preserved, whole or in pieces, in vegetable oil	3,664	12,637	16,301	1.0	2.1
61051000 men's or boys' shirts of cotton, knitted or crocheted	3,453	141	3,594	0.9	0.5
61101031 men's or boys' jerseys and similar articles, of wool, knitted or crocheted	3,296	455	3,751	0.9	0.5
03042057 frozen fillets of hake 'merluccius'	2,923	6	2,929	0.8	0.4
61102099 men's or girls' jerseys and similar articles, of cotton, knitted or crocheted	2,809	1,097	3,906	0.8	0.5
72024199 ferro-chromium, containing by weight > 6% carbon and > 60% chromium	1,924	0	1,924	0.5	0.3
06031051 fresh cut roses and buds from 1 November to 31 May	1,614	1,814	3,428	0.4	0.4
06031069 fresh cut flowers and buds from 1 November to 31 May	983	1,833	2,816	0.3	0.4
08043000 fresh or dried pineapples	24	4,016	4,040	0.0	0.5
03026996 saltwater fish, edible, fresh or chilled, n.e.s.	11	1,646	1,657	0.0	0.2
76011000 aluminium, not alloyed, unwrought	5	18,848	18,853	0.0	2.5

Table 3.1 cont.

03061390 frozen shrimps and prawns (excl. 'pandalidae' and 'crangon')		3,405	3,405		0.4
08030019 bananas, fresh (excl. plantains)		47,882	47,882		6.2
15111090 crude palm oil (excl. for industrial uses)		1,474	1,474		0.2
18040000 cocoa butter, fat and oil		6,571	6,571		0.9
28182000 aluminium oxide		8,636	8,636		1.1
07082010 fresh or chilled beans 'vigna spp., phaseolus spp.' from 1 October to 30 June		3,059	3,059		0.4
15081090 crude ground-nut oil (excl. for industrial uses)		3,064	3,064		0.4
18031000 cocoa paste (excl. defatted)		2,228	2,228		0.3
21011011 solid extracts, essences and concentrates of coffee		1,599	1,599		0.2
29051100 methanol 'methyl alcohol'		3,562	3,562		0.5
41051210 unsplit sheep or lamb skin leather, pre-tanned		659	659		0.1
41061200 goat or kidskin leather, dehaired, mineral/synthetic pre-tanned only		980	980		0.1
Total monetary equivalent	366,047	400,963	767,010	100	100

Source: aggregated from Kennan and Stevens, 1998.

other developing countries.

This new initiative means that the alternative to a Lomé deal is very different for least developed countries in SADC and other developing countries. The distinction is increased by the EC's declaration that it will offer the least developed level of access only to those countries which do not join regions signing agreements with the EU.[7] This means that the net benefit from a regional arrangement with the EU will be different. On the other hand, eventually the least developed countries will move up (although we assume that 15 years will not be long enough, especially as the present system already has some delays in graduation built in, and there are proposals for extending these), so that all SADC countries have an eventual interest in a system that will be generous to non-least developed countries.

Stevens et al. 1998 gives detailed comparisons of the access available to ACP countries (by country) relative to current GSP (summarised table 3.1), and finds that 'every single non-least developed ACP state would face a relative deterioration' (p. 7). Although even the least developed would have some disadvantages (different rules of origin and cumulation provisions and exposure to some safeguard clauses), this illustrates the importance of the least developed-developing distinction, but it does not of course represent a real choice: Lomé will not be available and the current GSP will be modified.

Some of the impacts are potentially very substantial, and they would be highly concentrated in certain sectors and certain countries. Almost half of the estimated loss in exports due to a transfer of non-least developed ACP countries into the GSP would be borne by SADC countries (excluding South Africa). The table shows clearly that most of this loss is accounted for by the sugar sector.

The figures show that in its current form the GSP is not a satisfactory alternative to REPAs for the ACP. Proposals have therefore been made to extend and deepen the GSP on the occasion of the 2004 review (ODI, 1998). The EU's mandate states that post-Lomé IV arrangements 'should at least maintain the current market access for the ACPs' (EU Council, 1998, p.18).[8] However, the only WTO compatible solution which meets this criterion is to offer Lomé access on an MFN basis to all members of the WTO, which is clearly not the EC's intention. Should this criterion be dropped as being unrealistic, a radical overhaul of the GSP would still be possible during the 2004 review of GSP. The strongest scenario would be to make it equivalent to Lomé. For most ACP (and all SADC ACP) countries, this would leave their absolute preferences unchanged.[9] And for all, there would be a potentially serious

7 It is not clear whether this would be consistent with the offer made by the EU to the WTO for all least developed countries; the legally binding status of the whole least developed initiative remains unclear.

8 This provision was not included in the EC's earlier drafts of the mandate. It was added after the EU Council's General Affairs committee of 30/03/98. In its communiqué, the Council stated that the arrangement "should at least maintain the current market access for the ACP and must be WTO compatible" (our emphasis, EC press release 98/86 of 2 April 1998). The last part of the sentence was dropped in the final version of the mandate.

9 It would be impossible to have a GSP that included all the ACP countries without making it available to all WTO members, i.e. on an MFN basis, because one of the ACP countries (the Bahamas) is already in the developed category, and two others, Antigua and Barbuda and Barbados, are above the World Bank threshold, and on the agenda to be moved into developed in 1999. WTO rules only allow GSP for developing countries, so even a high cut-off would be incompatible with WTO rules. A cut-off

loss of relative preference, as all other developing countries were admitted to the same level of preference. For some ACP countries and some commodities, this would mean serious competition. It is also likely to be unacceptable to some protected producers within the EU.[10] We first provide a rough assessment of the impact on SADC countries of making the GSP equivalent to Lomé, and then consider the scenario of a more limited, and more realistic, reform of the GSP with the introduction of new differentiation criteria.

Impact of making GSP equivalent to Lomé on SADC countries

The only effective way to keep most ACP countries (not those which are 'developed') from losing preferences is to extend GSP access fully to the level of Lomé. This would include all industrial products, with no restrictions on entry, and more than the present agricultural products. It would also require changing the rules of origin for all developing countries to those used under Lomé, and allowing cumulation among all developing countries, regardless of income or region.

Under this scenario, the ACP would face increased competition from non-ACP producers. In which products will SADC countries be most affected? Are they more vulnerable than the other ACP countries to such changes? The data set taken from Stevens et al. (1998) can help give an indication: the computed monetary equivalent of the loss of Lomé preferences corresponds to the trade-weighted difference in tariff protection between Lomé and the EU's GSP. It is therefore an indicator of ACP countries' vulnerability to the increased competition from non-ACP producers, which would result from an extension of the GSP preferences.

Table 3.2 shows the sectors in which each non-least developed country in SADC would be most affected: these are sugar (Mauritius, Swaziland, Zimbabwe), clothing (Mauritius), fish (Namibia, Seychelles) and beef (Namibia), as well as tobacco (Zimbabwe) and to a lesser extent cut flowers, beans, metals and pineapple.

To assess the extent to which SADC non-least developed are more vulnerable to an extension of the GSP than the other ACP, we have aggregated the same figures by products for all SADC countries and expressed them as a percentage of the total monetary equivalent of the Lomé/GSP tariff differential for all ACP. Figure 3.1 shows that in clothing, tobacco, fish and beef, SADC countries account for more than 80 per cent of the preferences granted by the EU to the ACP over their competitors in GSP. This proportion is more than 50 percent for sugar, and over 40 percent for cut flowers.

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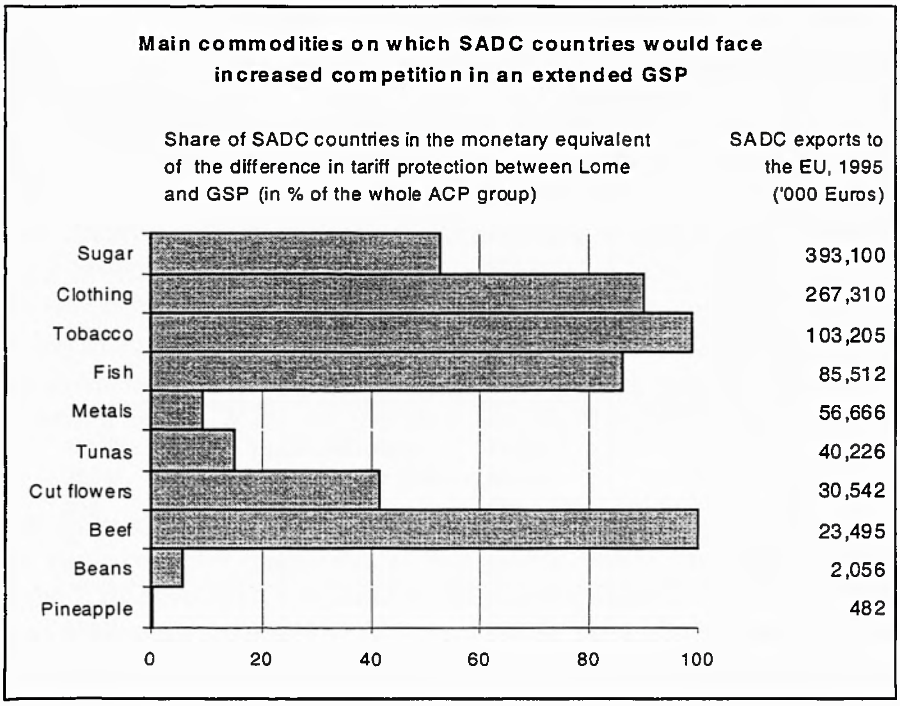
corresponding to about $5000 in 1995 would remove only the Bahamas and Barbados, among ACP countries, plus Argentina and Uruguay (in addition to those already graduated).

10 The controversy in July 1998 over the effects of an FTA with MERCOSUR on European agricultural producers is a warning, as all the members of MERCOSUR would entitled to any enhanced GSP.

Figure 3.1



Source: Stevens et al., 1998.

Table 3.2: Most affected SADC products if the GSP were extended to non-ACP developing countries

SADC Country	Sector(*)	Exports to EU, 1995 (Euro 000)	Tariff differential with GSP	Monetary equivalent of tariff differential with GSP (Euro 000)
Mauritius	Sugar	275,597	339 Ecu/T, 419 Ecu/T	176,429
	Clothing	264,609	10.20%	26,991
	Tuna	24,866	24.00%	5,967
	Cut flowers	978	8.50%	84
	Pineapple	388	4.90%	19
	Fish	3	5.30%	3
Namibia	Beef	22,775	12.8%+2589 Ecu/T	17,274
	Fish	85,302	5.30%, 15.00%, 6.40%	8,866
	Tuna	2,852	24.00%	685
	Cut flowers	70	8.50%	6
	Metals	88	6.00%	5
Seychelles	Tuna	12,508	24.00%	3,002
	Fish	206	5.30%	206
Swaziland	Sugar	87,276	339 Ecu/T, 419 Ecu/T	62,063
	Beef	720	12.8%+2589 Ecu/T	558
	Cut flowers	294	8.50%	25
	Pineapple	77	4.90%	4
	Beans	5	8.80%	0
Zimbabwe	Sugar	30,227	339 Ecu/T, 419 Ecu/T	23,411
	Beef	30,681	12.8%+2589 Ecu/T	19,865
	Tobacco	103,205	15.60%	16,100
	Cut flowers	29,200	8.50%	2,482
	Metals	56,578	3.40%	1,924
	Clothing	2,701	10.20%	275
	Beans	2,051	8.80%	180
	Pineapple	17	4.90%	1
	Fish	1	5.30%	1

Source: calculated from Stevens et al., 1998.

(*) The "Sector" categories comprise the following lines:

Pineapple: 08043000 fresh or dried pineapples

Beans: 07082010 fresh or chilled beans 'vigna spp., phaseolus spp.' from 1 October to 30 June

Beef: 02013000 fresh or chilled bovine meat, boneless

Cut flowers: 6031069 and 06031069

Tunas: 16041414 tunas and skipjack, prepared or preserved, whole or in pieces, in vegetable oil; 16041418 tunas and skipjack, prepared or preserved

Metals: 72024199 ferro-chromium, containing by weight > 6% carbon and > 60% chromium (Zimbabwe) and 76011000 aluminium, not alloyed, unwrought (Namibia)

Fish: 03026996, 3037810 and 03042057

Tobacco: 24012010 partly or wholly stemmed or stripped flue-cured Virginia type tobacco

Clothing: 61051000 men's or boys' shirts of cotton, knitted or crocheted; 61091000 t-shirts, singlets and other vests of cotton, knitted or crocheted; 61101031 men's or boys' jerseys and similar articles, of wool, knitted or crocheted; 61101091 men's or girls' jerseys and similar articles, of wool, knitted or crocheted; 61102099 men's or girls' jerseys and similar articles, of cotton, knitted or crocheted; 62052000 men's or boys' shirts of cotton.

Sugar: 17011110 raw cane sugar for refining and 17011190 raw cane sugar (excl. for refining)

Impact of a differentiated GSP

Proposals have been made to extend and deepen the GSP, in order to improve its developmental effectiveness in a way that would be consistent with the proposed reforms for Lomé, and politically more realistic. As a derogation to the WTO rules, the GSP is quite flexible. Improvements could include moving access - where possible - in the direction of Lomé, in terms of the degree of preference, rules of origin and cumulation; for instance, Lomé rules of origin would be extended to all, but cumulation would be allowed only within recognised (WTO-notified) regions. Precise criteria would be established for graduation, based on a broad interpretation of the Enabling Clause, in order to put the 'ceiling' of eligibility for GSP as high as possible, so that as many non-least developed ACP countries as possible are included. Now that the provisions for Least Developed of 1997 have set a precedent, it has been proposed that rather than remaining purely discretionary, GSP schemes could be bound in the WTO, so that they provide the same stability and predictability as Lomé.

At present there are four types of criterion for benefiting from GSP: income, trade success, labour or environmental performance, and special needs (further divided into the special needs of the least developed and those of the drug exporters). The graduation formula already includes a combination of the first two. As a result, the basis on which differential treatment is granted to the various groups of countries does not seem to reflect a clear developmental or even economic basis. But the only challenge to these differentiations under the WTO dispute procedure has been by Brazil against the special treatment for Andean drug exporters.

One proposed solution is to replace existing variations within the GSP by a single set based on clear, objective criteria, such as GNP per head. ODI (1998) and Stevens et al. (1998) have put forward a five-category system. The GSP countries would retain a simplified three-tier division, with all low income countries (below \$600 GNP per capita in 2005) receiving the access available to least developed before the 1997 reforms and upper level developing countries (\$4-6000) having a reduced access, preferably across all products; alternatively with the specialisation index combined with an income cut-off. The categories would therefore be: MFN and Least Developed (at the extremes), and three categories of GSP (see table 3.3).

Table 3.3: Possible Differentiated GSP

Category	GNP per head (\$,1995)	SADC countries(*)
MFN	5,000+	
Upper-income	3,300-4,999	Mauritius,
Middle-income	500-3,299	South Africa, Zimbabwe, Namibia, Botswana
Low-income	< 500	
Least-developed		Angola, DR Congo, Lesotho, Malawi, Mozambique, Tanzania, Zambia

(*) GNP per capita for Seychelles and Swaziland were not available.

Countries which would gain most are those that (a) export goods where preferences over MFN are substantial and (b) would be moved into the more preferred categories of the differentiated GSP. A first attempt at classifying GSP beneficiaries and ACP countries together along those lines (see Table 3.4) leads to the following observations.

- Most of the main beneficiaries, the non-least developed transferred into the Low-income category, are non-ACP countries, including India, Pakistan and Vietnam; the only ACP countries are Kenya, Ghana and Nigeria. All other ACP countries would lose access (absolutely as well as relatively).
- Most SADC countries fall into the middle-income category. Mauritius stands to lose most since it would be in the Upper-income category, just below MFN.
- Some non-ACP developing countries might also lose in relative terms, such as the Andean countries.

Table 3.4: Development criteria (1995)
Countries ranked by proposed income-differentiated GSP categories

Country(*) (SADC in bold)	ACP/GSP	Simple GNP per capita ($)	GNP per capita(PPP$)	Human Dvpt Index	Manufacturing in Total Output (%)
Least Developed					
Mozambique	**ACP**	**80**	**810**	**0.281 ..**	
Ethiopia	ACP	100	450	0.244	3
Tanzania	**ACP**	**120**	**640**	**0.357**	**8**
Burundi	ACP	160	630	0.247	12
Malawi	ACP	170	750	0.32	18
Chad	ACP	180	700	0.288	16
Rwanda	ACP	180	540	0.187	3
Sierra Leone	ACP	180	580	0.176	6
Nepal	GSP	200	1,170	0.347	10
Niger	ACP	220	750	0.206 ..	
Burkina Faso	ACP	230	780	0.221	21
Madagascar	ACP	230	640	0.35	13
Bangladesh	GSP	240	1,380	0.368	10
Uganda	ACP	240	1,470	0.328	6
Guinea-Bissau	ACP	250	790	0.291	7
Haiti	ACP	250	910	0.338	9
Mali	ACP	250	550	0.229	6
Yemen Republic	GSP	260 ..		0.361	14
Cambodia	GSP	270 ..		0.348	6
Togo	ACP	310	1,130	0.365	9
Gambia	ACP	320	930	0.281	7
Central African Republic	ACP	340	1,070	0.355 ..	
Laos	GSP	350 ..			14
Benin	ACP	370	1,760	0.368	7
Zambia	**ACP**	**400**	**930**	**0.369**	**30**
Angola	**ACP**	**410**	**1,310**	**0.335**	**3**
Low income (non-LDC)					
Vietnam	GSP	240 ..		0.557	22
Georgia	GSP	440	1,470	0.637	18
Pakistan	GSP	460	2,230	0.445	17
Mauritania	ACP	460	1,540	0.355	13
Azerbaijan	GSP	480	1,460	0.636 ..	
Nigeria	ACP	260	1,220	0.393	5
Kenya	ACP	280	1,380	0.463	11
Mongolia	GSP	310	1,950	0.661 ..	
India	GSP	340	1,400	0.446	19
Nicaragua	GSP	380	2,000	0.53	16

Ghana	ACP	390	1,990	0.468	6
Normal-income					
Zimbabwe	**ACP**	**540**	**2,030**	**0.513**	**30**
Guinea	ACP	550 ..		0.271	5
Honduras	GSP	600	1,900	0.575	18
Senegal	ACP	600	1,780	0.326	12
China	GSP	620	2,920	0.626	38
Cameroon	ACP	650	2,110	0.468	10
Côte d'Ivoire	ACP	660	1,580	0.368	18
Albania	GSP	670 ..		0.655 ..	
Congo	ACP	680	2,050	0.5	6
Kyrgyzstan	GSP	700	1,800	0.635 ..	
Sri Lanka	GSP	700	3,250	0.711	16
Armenia	GSP	730	2,260	0.651 ..	
Lesotho	**ACP**	**770**	**1,780**	**0.457**	**18**
Egypt	GSP	790	3,820	0.614	15
Bolivia	GSP	800	2,540	0.589 ..	
Macedonia		860 ..		0.748 ..	
Moldova	GSP	920 ..		0.612	26
Uzbekistan	GSP	970	2,370	0.662	18
Indonesia	GSP	980	3,800	0.668	24
Philippines	GSP	1,050	2,850	0.672	23
Morocco	GSP	1,110	3,340	0.566	19
Syria	GSP	1,120	5,320	0.755 ..	
Papua New Guinea	ACP	1,160	2,420	0.525	8
Bulgaria		1,330	4,480	0.78 ..	
Kazakstan	GSP	1,330	3,010	0.709	6
Guatemala	GSP	1,340	3,340	0.572 ..	
Ecuador	GSP	1,390	4,220	0.775	21
Dominican Republic	ACP	1,460	3,870	0.718	15
Romania		1,480	4,360	0.748 ..	
Jamaica	ACP	1,510	3,540	0.736	18
Jordan	GSP	1,510	4,060	0.73	14
Algeria	GSP	1,600	5,300	0.737	9
El Salvador	GSP	1,610	2,610	0.592 ..	
Ukraine	GSP	1,630	2,400	0.689	37
Paraguay	GSP	1,690	3,650	0.706	16
Tunisia	GSP	1,820	5,000	0.748	19
Lithuania		1,900	4,120	0.762	30
Colombia	GSP	1,910	6,130	0.848	18
Namibia	**ACP**	**2,000**	**4,150**	**0.57**	**9**
Belarus	GSP	2,070	4,220	0.806	22
Russia	GSP	2,240	4,480	0.792	31
Latvia		2,270	3,370	0.711	18
Peru	GSP	2,310	3,770	0.717	24
Costa Rica	GSP	2,610	5,850	0.889	19
Lebanon	GSP	2,660 ..		0.794	10
Thailand	GSP	2,740	7,540	0.833	29
Panama	GSP	2,750	5,980	0.864 ..	
Turkey		2,780	5,580	0.772	21
Poland		2,790	5,400	0.834	26
Estonia		2,860	4,220	0.776	17
Slovakia		2,950	3,610	0.873 ..	
Botswana	**ACP**	**3,020**	**5,580**	**0.673**	**4**
Venezuela	GSP	3,020	7,900	0.861	17
South Africa	**(ACP)**	**3,160**	**5,030**	**0.716**	**24**
Croatia	GSP	3,250 ..		0.76	20
Upper income					
Mexico	GSP	3,320	6,400	0.853	19
Mauritius	**ACP**	**3,380**	**13,210**	**0.831**	**23**
Gabon	ACP	3,490 ..		0.562 ..	
Brazil	GSP	3,640	5,400	0.783	24
Trinidad and Tobago	ACP	3,770	8,610	0.88	9
Czech Republic		3,870	9,770	0.882 ..	
Malaysia	GSP	3,890	9,020	0.832	33

Hungary		4,120	6,410	0.857	24
Chile	GSP	4,160	9,520	0.891 ..	
Oman	GSP	4,820	8,140	0.718 ..	
MFN					
Uruguay	GSP	5,170	6,630	0.883	18
Argentina	GSP	8,030	8,310	0.884	20
South Korea		9,700	11,450	0.89	27
Hong Kong		22,990	22,950	0.914	9
Singapore		26,730	22,770	0.9	27

(*) Swaziland and Seychelles not available.

In our quantification, we do not make any explicit assumption about GSP: as non-sensitive products' tariffs are reduced and most emphasis is concentrated on the least developed, we assume that the actual value of the remaining preferences may not be sufficiently large to be a major factor in the bargaining plans of SADC non-least developed countries. For least developed countries, we assume the continuance of their virtually free access.

3.3 SADC's regional integration

Under current plans, the negotiations on the SADC trade protocol should be completed by June 1999, and implementation begin by January 2000. This means that implementation cannot be complete before the planned start date of any relationship with the EU (2005), but that, even if there are delays, it will be complete by 2015. There could be substantial rapid progress, as the lowest tariffs are removed. The transition will be accelerated, but also complicated by the existence of current and potential separate agreements among subsections of the SADC countries, through bilateral arrangements and COMESA (table 3.5). Since October 1998, COMESA members have been expected to offer 90% preferences on all product lines, though in practice many are not doing so. Zambia, for example is currently applying 60% preferences in view, it argues, of its lower absolute tariffs, while Namibia and Swaziland are allowed derogations from any preference because of their membership of SACU. The Indian Ocean Commission and the Cross-Border Initiative both have plans for reducing tariffs among their members, and potentially for common external tariffs. We are assuming that SADC has complete free trade by the end of the transition period, and (effectively) that no new members large enough to affect the nature of SADC join.

One question remains about the treatment of the most sensitive products. For some countries, this list is seen as being goods which it is not intended to liberalise within the eight year transition period; there is a possibility that the region could take advantage of the 'substantially all trade' WTO rules to maintain, permanently, some exceptions. For the purpose of our calculations of the effects of different external relations, the choice of products would have little aggregate effect; there would be sectoral questions. The limiting question for SADC might be from its relations with others. Although SADC has one developed member (South Africa) and therefore cannot be treated under the more relaxed regional rules for developing country regions, the region is mainly composed of developing countries, and therefore is not likely to have to face strong opposition to stretching the rules. But if it signs a REPA with the EU, this would be a mainly developed country region, and it would face much stronger pressure to keep exceptions to a strict interpretation of the maximum permitted. Therefore, unless it wanted to have fewer sensitive goods exempted from its REPA with the EU than in intra-SADC trade, and thus have SADC countries effectively discriminating against each other and in favour of the EU, the number of exceptions in an agreement with the EU would set a *de facto* limit on intra-SADC exceptions. (In principle, the EU's declared policy of not wanting to have a more favourable position than SADC with respect to South Africa would have the same effect.)

Table 3.5: SADC countries' membership in 'trade' regions

	Customs union	Regions which intend to become FTAs				
	SACU	SADC	COMESA	EAC	IOC	CBI
Least developed						
Angola		X	X			
Congo DR		X	X			
Lesotho	X	X	?			
Malawi		X	X			X
Mozambique		X	?			
Tanzania		X	X	X		X
Zambia		X	X			X
Developing countries						
Botswana	X	X				
Mauritius		X	X		X	X
Namibia	X	X	X			X
Seychelles		X	X		X	X
Swaziland	X	X	X			X
Zimbabwe		X	X			X
Developed country						
South Africa	X	X				

Although some SADC experts would consider an eventual move to a common external tariff a possibility, and would support it, there is no formal proposal for it at present, and it is not assumed in this paper. (It should, however, perhaps be noted that no FTA has ever survived indefinitely: they have moved forward into customs unions, or faded away when the immediate interests which brought them together came into conflict with other interests.) This in principle allows the SADC countries to continue to have free trade arrangements with non-SADC countries (there are precedents here in other free trade areas, for example Mexico is a member of NAFTA, but also has agreements with Colombia and Venezuela and with Chile; Canada, also in NAFTA, also has an agreement with Chile). The SADC Trade Protocol explicitly provides that it should 'have due regard to... the existing preferential trade arrangements' (3.1.a), that countries 'may enter into new preferential trade arrangements between themselves' (27.2), and that 'Nothing in this Protocol shall prevent a Member State from granting or maintaining preferential trade arrangements with third countries, provided such trade arrangements do not impede or frustrate the objectives of this Protocol and that any advantage...granted to a third country under such arrangements is extended to other member states' (28.2). This last provision reinforces the problem cited above of having different or more limited lists of 'sensitive product' exclusions with an external partner.

While there is no legal reason to avoid such relationships, there are clearly practical ones (each one requires detailed negotiation of the way in which all existing arrangements will be treated, and then requires rules of origin in the operation of it), and there are economic ones, analogous to preference erosion. Granting free trade to additional countries erodes the advantages of it to suppliers from within SADC (and, as in any regional agreement, increases the risk of trade diversion). There may also be political or international relations difficulties.

Taking the NAFTA example again, NAFTA itself resulted from Canada's refusal to be excluded from a US-Mexico agreement when this was proposed after the signing of the Canada-US FTA. A system of overlapping agreements does not seem, from historical evidence, to be stable, with some surviving and strengthening, others being absorbed, and some disappearing.

It would be more difficult for a member to join a customs union, with a common external tariff, with non-SADC members (as is evolving in the East African Cooperation), unless the non-SADC members of the CU entered into a Free Trade agreement with the rest of SADC. In this case, the CU members would need to negotiate together with the rest of SADC (as SACU normally do now), or allow the SADC members to represent them. Again, this illustrates the potential complexity of SADC countries' tariffs, and programmes of tariff changes, over the next 8-10 years. (For SADC, COMESA, and each of the other possible arrangements, there would be in principle a need to report the arrangements to the WTO, and face examination under the Article XXIV procedures.)

Individual SADC countries may therefore find that they have several tariff structures: to a bilateral partner (e.g. Zimbabwe-South Africa), to COMESA partners, perhaps divided between those who are moving faster and slower, or between long-term members and new members (like Egypt) who are only beginning their transition to lower tariffs, and finally to other SADC partners; to IOC or CBI partners. Any increase in membership of SADC, COMESA, EAC (all of whom have increased their members in the last two years, or are considering increasing them), or in any of the other groups, could introduce a new set of transition periods. To negotiate with an additional outside partner, the EU, in these circumstances, should mean considering how this will affect all the existing relationships economically (the erosion of preference argument) and practically (sensitive products, rules of origin, simply the number of routine group meetings).

3.4 EU-South Africa

Agreement was reached between the negotiators of South Africa and the EU on an FTA at the end of January 1999, and has now been approved by the South African cabinet and EU ministers, but not ratified by either side. We assume that it comes into effect by 2012. It provides a 10-year transition period for the EU and 12 for South Africa. This agreement is important for SADC's relations with both the EU and the WTO. For the EU, it is an agreement with the largest trader within SADC, and therefore must correspond closely to the EU's position on an agreement with SADC as a whole. During the course of the negotiations, it was already *de facto* acknowledged that it would be an agreement with SACU as a whole because of the impossibility of enforcing rules of origin. Thus it provides a clear indication of what a REPA would offer to SADC. With the major trading country within SADC already committed to an agreement with the EU, it will be difficult as SADC moves to free trade between the rest of SADC and SACU for the rest of SADC not to have a similar relationship. This is not only for practical rules of origin reasons. Different external regimes could impede serious progress in the direction of consistent development and industrial strategies.

The EU-South Africa agreement may test the regulation of regions by the WTO. Preliminary estimates are that the excluded products amount to 5% of South African exports to the EU, but 37% of its agricultural exports, and 14% of EU exports to South Africa, with a transition period of 10 years for the EU to give access and 12 for South Africa (AFP, 19 Feb. 1999; EC, 1999). These trade shares are consistent with the EU's declared interpretation of the WTO rules for 'substantially all trade', that it must be 90% of all trade, but not necessarily 90% of each partner's trade, and that it must include all sectors, but need not offer 90% of each sector. But neither the 90% benchmark nor the possibility of calculating compliance by averaging in this way has been tested, and no other FTA currently being examined presents such asymmetry. More fundamentally, one could ask 90% of what? Here, it is interpreted as, of goods currently traded, but tariffs and restrictions reduce (or prevent) trade, and therefore a highly restricted sector could remain excluded *because* it was so restricted that it fell below 10%. Reductions in barriers as part of the move to the FTA could increase trade in the derestricted sectors (thus improving the apparent coverage), but general reductions, for example in another WTO trade round, could increase trade in the sectors which remain restricted, reducing the calculated coverage. How this will affect the (planned) periodic reviews of regions has not been tested, and few other FTAS are so close to the borderline that they could be shifted by minor trade share changes. (The 12 year transition is probably acceptable; other new FTAs also exceed the 10 years, and no existing agreement took under 10 years.)

The exclusions on the South African side include cars and components, textiles and clothing, meat, sugar, grains, and dairy products. This list would be a first list for any negotiation with SADC; it includes some of the products considered 'sensitive' by the other SADC countries. But the list of excluded or restricted products on the EU side also includes beef and sugar, as well as some fruit products and cut flowers which are important for other SADC countries (and unrestricted under Lomé). This could cause problems in designing an agreement for the other countries.

Table 3.6 shows the products considered sensitive by the SADC countries in their own negotiations. This does not necessarily correspond to those which would be sensitive in imports from the EU, with very different economic competitiveness relative to the SADC countries, but different lists of sensitive products would pose problems for rules for origin.

The rules of origin for the South Africa-EU agreement are also more restrictive than those for Lomé countries, and in view of the EU's declared objective of reducing the number of rules of origin, this could indicate what it would try to secure in a REPA.

Table 3.6: Sensitive Products in SADC

Product	Ang	Bots	Les	Mal	Mau	Moz	Nam	SA	Swa	Tan	Zam	Zim
Agricultural												
Tobacco				X	X			X	X			
Maize				X		X	X	X		X	X	
Wheat						X	X				X	
Rubber												
Tea				X	X					X		
Rice						X						
Beef							X	X				
Oil seeds							X					
Cotton								X		X	X	
Sugar								X	X		X	X
Citrus fruits								X				
Manufactured/processed												
Light engineering products	X			X	X					X	X	
Textiles	X	X		X				X	X	X		X
Garments	X	X	X	X				X		X		X
Pharmaceutical products				X						X		
Plastic products				X								
Timber products				X						X	X	
Maize products				X		X	X	X			X	
Wheat products						X	X				X	
Footwear	X	X						X			X	X
Motor vehicles		X						X				X
Motor vehicle components								X			X	X
Cooking oils and fats										X	X	
Processed foods	X										X	
Poultry products					X							
Beer					X					X		
Fertiliser	X				X							
Furniture					X							
Soap and detergents					X					X	X	
Toiletries					X							
Dairy products						X			X			
Animal feeds							X					
Cigarettes										X		
Paper products										X		
Electrical goods												X

Source: Imani Development, SADC Trade Protocol Report (1996)

The non-trade coverage of the EU-South Africa agreement may also indicate what might be added to trade in other EU agreements. The most well-known addition is the regulation of the use of terms like port and sherry: the interesting point as a precedent for other agreements is that the agreement will control their use not only in exports to the EU, but in South Africa's trade with other countries, and potentially in its own domestic market, an extra-territorial application of EU law. The agreement does not, however, offer exemption from anti-dumping or other trade actions (and the EU imposed anti-dumping duties on South African steel less than a month after the agreement was reached). Excluding such actions is an addition to a few free trade and customs union agreements, and a valuable one, as anti-dumping has replaced emergency tariffs (no longer allowed under the WTO) for short-term protection. There is very limited coverage of services.

3.5 The EU's FTAs and other trading relationships with other countries

These have economic and negotiating implications for SADC's choices. As is the case within SADC, any agreement the EU signs with another group reduces the value of 'special' access to the EU (it reduces the ability of the SADC countries to benefit from trade diversion from other EU trading partners), but the EU is a different case from the normal. Unlike other major trading countries, most of its trade is on 'special' arrangements: within itself, with other western European countries, with Eastern European, with Lomé of course, with the Mediterranean countries, and (under negotiation), with MERCOSUR, Chile, Mexico... And for the future, every Lomé country will be facing the same choice as SADC, of whether to join a REPA with the EU. Depending on how the Mediterranean arrangements develop and on whether agreements with the other ACP countries and with the major Latin American countries are signed, the decision facing SADC could be not whether to have a specially favourable agreement with the EU (the normal implication of an FTA) but whether to refuse to sign, and have a specially unfavourable (to be the only region excluded from a network of FTAs). Which is more probable? On the Latin American side, the prospects of FTAs seem very distant, because the sensitive agricultural products are even more important than in the South African case, without the historical and political reasons for wanting an agreement with South Africa. The series of studies which the EC asked to be prepared on potential ACP REPAs was as pessimistic about the prospects and effects for the others as for SADC. SADC needs, therefore, to keep aware of the developments in this area (and particularly of what is happening among the other ACP countries), but it can perhaps assume that the choices will look much the same to the other areas as they do to it. and therefore (as a first guess in setting its negotiating assumptions) that if it signs a REPA, the others will; if not, they won't.

But it is necessary to remember the fears of Canada when the US started to negotiate with Mexico. A series of FTAs by the EU with other regions is very different from a single FTA with all. On the one hand, it allows each to negotiate different inclusions and exclusions, but on the other it prevents all countries except the EU from benefiting fully from the access or the reduced costs imports from the other partners.

The other reason for looking at the other agreements is that, like the EU-South Africa agreement, they indicate what and how the EU negotiates.

Mediterranean agreements

Like ACP countries, Tunisia and Morocco have enjoyed non-reciprocal preferential trade preferences from the EU for more than 25 years under the co-operation agreements signed in 1976 (and subsequently amended on several occasions, e.g. enlargement of the European Economic Community to Spain and Portugal in 1986). Like the Lomé preferences, these have been progressively eroded by the extension of preferences to other countries, and by the achievements of multilateral trade liberalisation under the GATT (See Fontagné and Péridy, 1997). In 1995, the EU adopted a New Mediterranean Policy covering eleven Mediterranean countries.[11] The *Euro-Mediterranean Partnership* has three main facets: economic co-operation, political dialogue and free-trade. Its central feature - as agreed at the Euro-Mediterranean conference in Barcelona - is the implementation of *bilateral free trade agreements* between the EU and each Mediterranean country, to be completed by 2010. Morocco and Tunisia have already signed such agreements, while negotiations with Egypt are ongoing. The Barcelona agreement does *not* directly provide for an FTA between the EU-15 and the 'Med-11': free trade among Mediterranean countries themselves is not part of the Barcelona agreement. The early Cannes declaration only *called for* each participant to implement additional free trade agreements with the others, on an individual and voluntary basis. The free trade agreements signed with Morocco and Tunisia have the following characteristics:

- *non-agricultural goods*:
  - exports to the EU already enjoy free access; the only exceptions are textiles and clothing, for which the EU agreed to lift all restrictions progressively;
  - imports of industrial products from the EU will be fully, though gradually, liberalised along a calendar stretching over a transitional period of 12 years; protection for the less sensitive products (capital goods) will be lifted at the beginning of the period, while more sensitive products (consumer goods) will be liberalised near the end (see Box 3.1).
- *agricultural goods:*
  - the EU has agreed to liberalise trade slightly in agriculture by extending concessions already granted (e.g. increase in tariff quotas);[12]
  - on the Maghreb side, while it was agreed that no additional tariffs will be applied to EU products, real negotiations for liberalisation will start in 2000.

11 Algeria, Morocco, Tunisia, Lebanon, Syria, Israel, Egypt, Jordan, Malta, Cyprus, Palestine.

12 On the EU side, planned measures include: (i) the implementation of the preferential status for some products already granted by France to Mediterranean countries (early potatoes, tomato concentrate, oranges other than fresh produce), (ii) free access at certain times of the year for new products such as market garden produce, (iii) an increase in zero-duty tariff quotas between 1997 and 2001 on oranges, early potatoes, tomato concentrate and fresh apricots. In return, Tunisia has given an undertaking to give the European Union preferential access for its cereals, meat and dairy products and to consolidate its GATT-related concessions.

Box 3.1

Phasing out tariffs on imports of industrial goods from the EU: the cases of Morocco and Tunisia

The free trade agreements signed between the EU and Tunisia and Morocco respectively, provide for the progressive liberalisation of imports of industrial goods from the EU in these two countries. In both cases, the liberalisation schedules distinguish four categories of industrial products, though with slightly different provisions.

Tunisia
(Source: Chemingui and Dessus, 1999)

Tariffs on EU industrial goods have to be "dismantled swiftly for imports of products without domestic equivalents, but more slowly for protected domestic products competing with imports. Some industrial products deemed to be of critical importance are not covered by the agreement. In practice, industrial products are categorized in four lists.

1. The first list contains goods for which the removal of tariffs is *immediate*. This relates to capital goods not manufactured locally; in 1994 they accounted for 12% in value terms of all imports from the EU (World Bank, 1995).
2. The second list contains goods for which tariffs are to be removed over a period of *five years* as from the effective date of the agreement. These consist essentially of raw materials and other input products not produced locally. Again in 1994, this list accounted for 28% in value of all imports from the EU.
3. The third list comprises goods for which protection is to be removed over a period *of 12 years* (the duration of the transitional period), at the rate of one twelfth per year. The products concerned in this case are those which are manufactured locally and considered competitive by the Tunisian authorities. This latter list accounted for 30% of all imports from the EU in 1994.
4. The fourth list contains the other industrial products, whose tariff protection will be removed *over 12 years, including an initial 4-year period of grace*, at the rate of one-eighth per year. This last list accounted in 1994 for 30% in value terms of all imports from the EU."

Morocco
(Source: Stevens et al., 1998)

"Imports from the EU are subject to a complex system of trade liberalisation. Industrial products are covered by four different schedules of tariff reduction:

1. products subject to *immediate* tariff reductions (with some restrictions, including tariff quotas on some processed agricultural products);
2. products subject to a *three-year* transition, with a 75 percent reduction in tariffs in year one;
3. products subject to a *twelve-year* transition, starting in year three;
4. products on which tariffs are abolished in *year one* and minimum import prices abolished in *year three.*

The tariff schedules are completed with a list of products exepmpt from tariff reductions, but where import quotas must be abolished (although in some cases this takes place only at the end of the 12-year transitional period.

The general pattern of liberalisation of industrial products from the EU is that low tariff son imports of intermediate products used in production and capital goods are abolished early in the 12-year period, and imports of consumer goods subject to high tariffs are liberalised towards the end of the transitional period".

Several lessons can be drawn by SADC countries from the Euro-Med free-trade agreements:

- *On freeing imports of industrial goods*. Given previously existing preferences, the short-term impact of these free trade agreements on Maghreb exports should be very small. Conversely, the impact on Maghreb imports from the EU will be very important, putting both the balance of payments and domestic industrial firms at risk. Although estimations have been circulated that about sixty per cent of the latter would be unable to resist European competition unless significant technological and marketing upgrading is achieved by 2010, there is no robust evidence to support any such figure. (Fontagné et Péridy, 1997). The improvements in access are not equal.

- *On freeing imports of agricultural products*. This is clearly the most contentious part from the point of view of the EU, as in all its trade agreements. And agriculture is of primary importance for North African countries (as it is for SADC). A recent simulation shows that in the case of Tunisia, the agricultural sector should not expect any gain from opening to the EU unless it obtains the lifting of European quotas faced by Tunisian agricultural exports in exchange. In the absence of such concessions, Tunisia is better off liberalising trade in this sector unilaterally, to the whole world rather than to the EU alone (Chemingui and Dessus, 1999). The benefits are small.

- The process of negotiation to obtain an adequate gradual phasing out of tariff protection - thus leaving time both to the government and firms to adjust to lower tariff revenues and increased competition respectively - has required a major effort (Stevens et al., 1998, on Morocco). That was for an agreement between the European community and one partner country. For SADC countries to agree collectively with the EC on a common schedule of import liberalisation, will require even more effort and expertise. The Mediterranean agreements, unlike the South African, include 'policies on trade in services (including rights of establishment), competition policy and government procurement (Stevens et al, 1998, p. ix.). The negotiating cost is significant.

Eastern Europe

Another of the EU's current negotiations could have an even stronger impact than the others: the potential entry of new Eastern European members into the EU. This would not only affect trade more strongly (a customs union, not just an FTA, and many are major agricultural exporters, increasing the sensitivity of the EU to agricultural imports), but could affect the negotiating stance of the EU by adding new interests. This is one more stage in the reduction in the predominance of countries with traditional links with the ACP countries. The importance of this should not be exaggerated: the date at which the Eastern European may enter has been postponed, so the transition may not be completed by 2015 (our scenarios make no assumptions about a change in EU composition of trade or trade policy before then); they will be politically weak relative to the existing members, and have more urgent priorities than negotiating trade policies with minor trading partners. Moreover, it is some of the 'traditional' EU members which have been most determined to end Lomé and substitute a reciprocal relationship, but their entry is another indication of the decreasing 'specialness' of any relationship with SADC. The agreement with South Africa includes a provision for consultation if new countries join the EU.

The entry of the Eastern European countries could reinforce the budgetary and WTO pressures (joined with the traditional opposition of businesses that use agricultural products as an input, like confectionery) already encouraging reducing the level of support for European agriculture. (The assumptions we have made do not include any additional impact on the EU for this.) This would reduce the potential impact of EU products as imports into SADC if there were a REPA (although this may be of minor importance as all the affected products would be likely to be excluded as sensitive, as they are in the EU-South Africa agreement), and would reduce the value of the sugar and beef protocols (and probably the value of exports of some horticulture products), and therefore the loss if they are removed in any post-Lomé settlement, and therefore their impact on SADC's choice of strategy.

3.6 SADC's relationships with other countries outside the region

For SADC, the effects of establishing any other special trading relationships would be the mirror image of how EU relations affect it: it would gain from less trade diversion (broadening its sources of supply of imports) as well as from the negotiating advantage of having 'an alternative'. But they could also constrain its ability to make choices.

All its members have GSP (or least developed GSP) access to the other developed countries, but some (notably Mauritius) are subject to the MFA. This will end after 2004, and although tariffs on textiles and clothing remain high, this could reduce the relative advantage of the EU market. The US has also proposed (still not passed) a bill to give additional access to African countries. It has an ultimate aim of free trade (though not for a quarter of a century), but initially offers non-reciprocal access.[13] As well as trade elements, it requires countries to have 'adequate' democracy and trade liberalisation policies of their own. It thus goes beyond a simple trade agreement (perhaps there is no such thing as a simple trade agreement). A potential substitute bill (introduced in February 1999) would include labour and environmental provisions. In the only precedent for special preference for a region, its special arrangements with the Caribbean, the US explicitly required any access offered to another developed country to be extended to it. While this is not apparently explicitly included in the US Africa agreement, it must be considered an implicit condition, certainly for a major trading country like South Africa, if not for the other SADC countries. The timing of the Africa bill is suggestive: it followed the EU's signing of the agreements intended to lead to FTAs with MERCOSUR, Chile, and Mexico, and may have had a negotiating motive, of warning the EU that if it entered traditional US trading territory, the US would respond in kind. The US has an explicit commitment to support SADC integration (*Business Day*, 26 January 1999), and a framework for trade cooperation with South Africa (signed three weeks after the EU and South Africa reached agreement).

SADC has had informal contacts with other groups, like MERCOSUR and ASEAN. From the point of view of SADC's trade patterns, it clearly has an interest in trade with groups outside its own region and the EU, but there is no other single area which predominates. Thus, while there is no other area in which it has an interest sufficient to form the basis for a

[13] Like the US Caribbean Basin Initiative, it is potentially challengeable in the WTO for the same reasons as Lomé. The existence of these other potentially non-WTO-compatible arrangements supports the view that the pressure on the EU to end Lomé could have been countered by effective bargaining, and the EU has chosen not to do so. This means than any proposal for EU action which would be equivalent to trying to preserve Lomé must be considered contrary to demonstrated EU intentions, and therefore not likely to be feasible.

trading relationship (and no other area with traditional or political contacts sufficient to inspire a desire for an agreement), the collective importance of other areas suggests it should be cautious about restricting its trade negotiations to its major trading partners.

4. Relationships beyond trade in goods

As has been obvious in all the sections on individual trading arrangements, 'trade' agreements are not only about goods. What are the implications of this for SADC's trading arrangements? The history of increasing coverage in the GATT and in the EU (formerly European Coal and Steel Community, then ECC, now EU) is clear evidence of how difficult it is to keep trade separate from other international economic policies. The need to introduce new subjects comes partly from the increased contacts and integration that come from increased trade flows, but also is a more direct consequence: the close association of economic activities means that non-tariff restraints can hinder or increase the cost of the movement of goods, for example, restrictions on services such as transportation or communications, or on the mobility of labour or capital, or different rules on patents or other intellectual property, or differences in standards or in how private sectors operate within their own company laws. Or from a more comprehensive point of view, a 'good' must be considered with its standard, with how it is produced, with how it is sold or maintained, where and by whom it is produced: drawing a line between what is of international concern and what is national will be arbitrary. Problems can be dealt with on an individual, one-off basis, and this is normal for minor trade flows or partners, but this provides an uncertain and variable remedy, inadequate as trade becomes more important. The additional areas of concern have tended to become subject to the same types of international coordination of rules and definitions of access that govern trade. And the process is cumulative, with these changes in turn leading to further increased contacts, and to new needs for coordination and rules. The fact that the EU and the WTO have set the precedent is also important: just as second round industrialising countries can copy and move faster to develop than the first, so new regions and regional agreements see how others have dealt with the problems. For a regional group in the 90s or 00s, there is another consideration: with the reduction in tariffs eroding current and potential preferences, making more rapid progress on non-tariff measures can be the only way of preserving some element of difference between inter- and intra-regional arrangements.

But in its initial proposal for REPAs and in its terms of reference for its studies of them, the EC assumed that these would deal only with trade in goods. SADC in its relations with the WTO has also lagged on areas other than its obligations under the trade in goods rules. These gaps justify a chapter to explain why they will be important in SADC's choices, although the lack of progress (and interest) means that it must be short.

4.1 Non-tariff Barriers

The Round before the Uruguay Round, the Tokyo Round, made the first effort to regulate these (although they had been in principle illegal from the beginning of GATT). They had been increasingly used by the developed countries in the 1970s and were becoming a major strain on the trading system. The reforms to agriculture and the MFA in the Uruguay Round brought two of the major areas under regulation, if not control. It is now to be expected that any trade negotiation should deal with these as well as tariffs, and the SADC trade negotiations are treating them in parallel with tariffs. There may need to be more systematic information and negotiation on these because the move to free trade will make remaining barriers more obvious. This experience should be extended to any other negotiations, and the evidence on what constituted barriers collected by the EU at the time of its Single European Market exercise (the 1992 programme) could provide evidence of the type of barrier to look for there.

4.2 Trading rules, customs etc.

The Uruguay Round included a range of rules on items like customs valuation which require countries to check whether they comply. In most cases, SADC countries' rules do comply, but failure to keep in touch with WTO rules and time limits could mean that they formally fail to do so. How far does this matter? It weakens their ability to require compliance with other rules from others. In the next negotiations it weakens their potential to try to change (or avoid changes). SADC countries have an interest in ensuring that rules are multilateral, not different with different trading partners.

4.3 Anti-dumping rules

The risk of subsidised products taking advantage of any reduction in trade barriers is already an issue in SADC's own negotiations and in its relations with the EU. While some regions have ended the use of anti-dumping actions within themselves (as the EU has), their continued availability in EU-South Africa and Lomé suggests that these will remain important even if a REPA is signed with the EU; EC statements saying that 'solid' rules are needed confirm this. There do not appear to be plans to exclude their use within SADC. The first priority for all the SADC countries is to reform (in a few cases establish) their procedures in accordance with the rules which came out of the Uruguay Round, and to acquire the expertise to use them. This is particularly important because of the role of subsidies in agriculture: while these are temporarily exempt from anti-dumping rules (because of a compromise reached in the Uruguay Round) this immunity will end in 2003. Well-functioning rules could have two effects: not only punishing or preventing actual dumping, but providing the information and calculations to show when it is not occurring, replacing the current atmosphere of suspicion within SADC and between SADC and some of its trading partners.

4.4 Intellectual property

Although developing countries were given an extension to comply with the Uruguay Round agreements on this, longer for the Least Developed, these periods are coming to an end. Some countries may need WTO help, and this is an additional reason for improving contacts and participation there. If the question of genetically modified organisms becomes an important issue in the next found, this could have a major effect on exporters of agricultural products, and require participation. Moves by the EU to have its own regulations could affect its trading partners, and might prove challengeable in the WTO. At present, all SADC countries are mainly users, rather than creators, of patents and copyright, but 1998 saw the first case by Zimbabwe of filing worldwide for patent protection.

4.5 Standards

These can be used as a barrier to trade, if a country sets unduly high standards, and especially if it expects higher standards in imports than in home production. But it can also be a real barrier, where there are genuine differences in standards or where there is lack of information about what the standards of export markets are or how to meet them. For some of the SADC countries, there are weak or non-existent national standard-setting bodies, and the cost of remedying this could be high for small countries. According to the WTO, only Mauritius and South Africa have adequate national systems. One suggestion is to start from these to develop regional standards, or even simply adopt standards of one country. There are also, however, problems with accepting standards set by the major countries which may not be suitable for all (and there would always be suspicion of any single country). A negotiation with the EU would offer similar problems. Moving to fully international standards where these are available could be an alternative, and establishing such standards could provide an objective within the WTO where SADC would share interests with other developing countries. This could cut not only the cost of setting standards, but the information cost, if all export markets had the same, international standards. Strengthening the WTO rules about applying international standards and perhaps the procedures to avoid sudden changes could also reduce problems which have been faced by SADC countries.

The problem of discriminatorily applied standards, however, is one of information about the importing country, and more difficult to solve. The rules on what type of standards could be set were tightened in the Uruguay Round, restricting the possibility of using idiosyncratic national standards, by requiring countries to show a reason if they did not use international standards.

Agricultural standards, especially Sanitary and Phytosanitary (SPS) rules are likely to be particularly important for the SADC countries, and some have already faced barriers which have seemed arbitrary to them (to fish and to ostrich meat, for example). The WTO is trying to provide technical assistance to countries to enable them to understand and use the new rules.

4.6 Services

As indicated in Chapter 3, these must be on the WTO agenda. Services are an obvious interest for countries with low labour costs, and as members of a region the SADC countries have an interest in making treatment of regional preferences for services more systematic. Except for minor provisions on timing and technical assistance, there are no special provisions for developing countries in the services agreement and no provision for offering preferences. On the other hand, it is expected that developing countries will be strongly encouraged to increase their participation, by offering more liberalisation of more services. This offers scope for negotiations. The WTO has now prepared reports for about 20 sectors on how the arrangements made in the Uruguay round are working, and on problems with them, which will help to set the agenda for simple reforms. There are, however, still no data on how much countries, particularly developing countries, may have benefited (or lost) from the information that came out of the round or from the liberalisation. This will make future negotiations difficult, and require countries to make their own studies and plans. The nature of the services negotiations has evolved differently from goods, with greater reliance on specialists (not necessarily from trade ministries), and therefore a particular need for a coordinated national approach. The existence of momentum at the WTO level and the development of frameworks for negotiation there could encourage regional groups to move further, by providing them with the incentive to keep ahead of the multilateral norm, and with the information and forms to use. The rules for discriminating in favour of regional partners, however, are even less developed (although on paper stronger) than those for goods, and the feasibility of partners' discriminating in the purchase of an immaterial item may be more limited. The EU set the precedent for substantial progress at regional level, but this was largely in the 1980s before the progress made at the WTO. The structure of the way in which services offers were made (at least in the last Round) discriminated in favour of existing regional arrangements, and against new ones, with countries allowed to specify any discrimination that already existed, without limit, but subject to strict rules for new discrimination.

4.7 Electronic commerce

This is not in itself an issue. It is a way of supplying goods or services (themselves governed by the appropriate rules), by a particular way of carrying on business: as such it may be cross-border or not. The WTO and private business do not see it as raising new issues, but rather put the emphasis on what is being supplied. But these new forms will affect negotiations.

4.8 Labour and the environment

Rules on these have appeared in regional arrangements (notably the EU and NAFTA), but not directly tied to trade: the rules and the provisions for enforcing them have been separate from the trade agreements. This is in accordance with the multilateral system, which up to now has dealt with these subjects by separate environmental covenants and the International Labour Organisation (ILO). But the US and EU GSP schemes both include provisions for requiring conformity to certain standards, to receive normal benefits (US) or 'extra' (EU). The US has used its provisions, the EU has not yet. Some members of the WTO have proposed including these in the next Round, but this has not yet been accepted. There are also proposals to use the balance of environmental damage as an argument in trade liberalisation negotiations. If goods can be identified which are produced in a more 'environmentally friendly' way in developing countries than in developed, removing barriers could benefit both development and the environment. The products which have been identified include several of interest to SADC, including horticultural products, non-timber forest products, fish, cotton and other fibres, and leather. For SADC, there is a negotiating interest in improving access on these to developed countries other than the EU (although most are already open under GSP). The interests with respect to the EU, however, are mixed: if they retain preferential access, under a REPA or new Lomé, extending this to other developing countries would damage their interests; if they do not, they would themselves benefit from better GSP or MFN access. At a minimum, they must be aware of negotiations.

4.9 Questions of governance and democracy

The US has proposed including criteria about these in its Bill for African trade, and the EU has pressed for them in both its post-Lomé arrangements and its other FTAs, notably that with Mexico. Economic unions like the EU and MERCOSUR have implicit or explicit commitments to ensuring democracy among their members (and have treated this as a condition for joining). But these are symmetric, common obligations, not conditions imposed by some members on others, and stem from their deep integration, going even beyond custom unions. Countries which plan to adopt common policies need a common approach and need to be able to respect each other's ways of governing. SADC, itself, with its development and sectoral integration programmes, has elements of deep integration, and a concern to protect (and spread) democratic processes has influenced membership, and has even led to acceptance of intervention across borders.

The EU-South Africa agreement has parallel, not identical, statements by the EU and South Africa committing themselves to 'the principles of good governance' (EC, 1999, p. 9). The reasons for such conditions in a simple free trade or preference arrangement, however, are less clear. Where an organisation is expected to evolve and become more integrated over time, questions of process and how decisions will be made are important, but this does not apply for a fully defined contract which need not be reopened. There are no economic tests for whether or when forms of political integration are acceptable or even necessary: an interest in democratic processes seems more relevant to the type of group that has strong non-economic motives for joining together (political, security), and an intention to negotiate and compromise to stay together; these are precisely those groups which do not intend to use calculations of economic cost and benefit in order to decide whether to join together. (No such calculations were done before the original European community was formed.) Some congruence of approach is clearly necessary in any agreement. Even GATT and the WTO have had considerable difficulty in accepting countries with non-market traditions because their systems do not fit into the type of relationships on which GATT rules were based. And any agreement between countries requires sufficient trust that it will be observed. But how much formal agreement is necessary, of what form, and with what degree of symmetry is a political decision.

4.10 Interactions between regions and the multilateral system

What is the effect of the simultaneous negotiations at regional, inter-regional, and multilateral level? One EC argument is that a new WTO Round would bring regional negotiations to a stand-still, but there is no evidence for this from the last Round: this saw the European single market, NAFTA, and MERCOSUR completed, and the foundation of more regions, including SADC itself. There are practical difficulties, of negotiating consistency (all the questions of what to assume when more than one aspect of economic relations is changing at the same time which are explored in this paper) and of negotiating capacity, but the international system will never stand still to allow countries to work out their own strategies. The start of a Round cannot, therefore, be used to put pressure on the ACP countries to agree something before the end of 1999. But a Round does put trade more to the fore, and therefore makes countries more aware of what others are doing, and therefore potentially more able and ready to challenge this.

As discussed in chapter 3, there are contradictory indications of whether there will be a further tightening of rules for regions (which could be an alternative reason for trying to push any arrangements through before it happened). There has been insufficient time to test the current rules, and some of the potential opponents of regions have shifted: the increase in the US interest in special relationships is the most notable, but even Japan has effectively decided that it cannot beat, and must therefore join them (JETRO head Hatakeyama has said 'We cannot prevail alone. We have to face reality', and started to consider an agreement with South Korea (AFP, 10 February 1999). The countries still not in regional groups might want to tighten the rules, but not sufficiently to want to offer a concession in exchange. The WTO Committee itself probably will not take such an initiative.

The emphasis of any discussion in a new Round is likely to be on the potential damage any region may do to those excluded, rather than on details of rules. This could make arrangements like SADC easier, but the systemic nature of the EU agreements may mean that any agreement involving the EU will be looked at as a precedent for all the others, and receive close scrutiny. In 1997, the EU (DGI) supported clarifying the WTO rules further (Commission 10 Jan 1997), but that was only a few months after the issuing of the DGVIII Green Paper on ACP reform, and before the discussion had narrowed to the single proposal of free trade areas. The possible contradictions had perhaps not yet been recognised, and there have been no further proposals of that type. But this poses a difficulty for the EU in its own negotiations: if the only external control on regions is to concentrate on effects, not forms, it cannot use the argument that any concession it asks for is needed to make a region WTO compliant, because WTO compliance is now clearly a soft constraint.

4.11 All the non-trade items

The implication for SADC's negotiating strategy of this section is that there are as many possible strands as there are potential partners. The choice is complex, but there are a range of possible opportunities to gain, in different directions, if SADC itself has a clear idea of its objectives.

5. SADC's negotiating options

5.1 SADC and the EU

The proposal of the EC was that SADC (and the other ACP regions, or potential regions) sign a reciprocal agreement which would come under the Article XXIV rules; alternatively, the members could accept separately the normal GSP arrangements. The second is clear, at least in legal terms, even if we do not know how GSP could be modified: the individual countries would be defined by their income (or any replacement measure) into developing or least developed categories, and then receive whatever concessions the EU (and other developed countries) offered, without any obligations to offer reciprocity (although possibly with conditions in terms of labour, environment, or other 'good' behaviour) and without any (formal) input into what would be offered. The first is less clear.

The original Green Paper argued that a uniform FTA with all the ACP countries would be impossible because the ACP countries could not all agree on a 'single "plan" and "schedule" (as required by article XXIV.5) for the formation of a ACP-EU FTA which takes into account their trading patterns, their differing needs for industrial restructuring, for changes in fiscal policy...etc.' (p. 41) But individual agreements would be too separated, would lose the advantages of cumulation, and require too many possible derogations at the WTO. So agreements with regions were suggested as a compromise, with the advantages, not the disadvantages, of the former two. But the two pages of the paper on the subject do not really reach a firm conclusion on what is feasible, economically or legally. As SADC, with 14 members, plus 1 for the EU negotiating together already implies as many members as the EU has after several stages of expansion, it still seems an impractical number for a starting point (the EU started with three, MERCOSUR with two, NAFTA with two), and the disparities in development and income between SADC and the EU are much larger than in other FTAs.

There is no previous example of a customs union (the EU) signing an FTA with an FTA (SADC). The case of SACU in SADC is different: it will be making an agreement as one participant with all the others, each acting for itself. The proposed agreement between the EU and MERCOSUR would be between two customs unions. In both cases, each of the negotiating parties has a single tariff (as a country or CU), and each has negotiating power (sovereign or delegated). A SADC-EU REPA could not fit this model. If SADC does have a firm intention of becoming a CU, it could defer external arrangements until it was sufficiently advanced to behave as one, but this would be well beyond the EU's 2005 deadline for ending Lomé. It would be equivalent to choosing the GSP option, and then restarting negotiations later. It could offer an alternative model, of a new FTA including the two customs unions, EU and SACU, and all the other SADC members as the partners (effectively the old model of EFTA-EU relations). This would reduce the costs of separate FTAs, both administratively and economically, and provide a coherent legal structure. This has not, however, been proposed so we do not pursue it here. SADC could simply coordinate negotiations in some way, so that at least the timings of all the members' agreements with the EU (and any staged tariff reductions, perhaps) were the same, and perhaps ensure the same lists of sensitive products, thus minimising the need for increased rules of origin. Or finally the members could follow South Africa's example and negotiate completely independently, as is their right under SADC Trade Protocol rules. In this case, some might choose not to sign. This last format would follow what seems to be the norm for FTA members signing with other countries or CUs (c.f. the various deals by members of NAFTA).

While legally there is no need for SADC to make a choice of strategy on this (or to coordinate what it may decide with what other ACP regions may do), if SADC is a coherent region with common interests, it will want to consider these options together. Even as a practical matter, it may gain negotiating strength by considering them together, and possibly also with the other ACP countries. While the EU originally called the agreements it wanted to sign REPAs, it has increasingly recognised that they may need to be legally country-by-country, and in any case the choice in the negotiation is not the EU 's. We have assumed something like the coordinated negotiation model in simulating the results: that there is full free trade among the three elements: SACU, EU, and other SADC. An alternative, suggested in Imani, 1998, would be for the least developed countries to remain outside, while Mauritius, Zimbabwe, and the Seychelles signed a REPA. The existence of the South Africa-EU agreement means that there is a strong probability that an EU-SADC agreement negotiated jointly or in a coordinated way would follow that model. Any of the less coordinated models would be strongly influenced by it (as example and because of the difficulties of having different agreements within an FTA), but could have some variations.

An additional argument for a regional approach is that the EC has said that its aid programme will be on a regional basis. Support for trade could be more consistent if trade is also regional, but this may be a minor consideration. The EU has had regional aid programmes with Asian and Latin American countries for more than 20 years, without requiring them to form regional trading arrangements with it; SADC's own regional structure may be sufficient.

As mentioned above, EAC, COMESA, IOC, and CBI all include an objective of harmonised CETs: it would be possible, therefore, for the non-SACU members of SADC to negotiate together under one or more of those headings, but this could weaken SADC by moving the negotiating responsibility to COMESA and by encouraging a negotiation for all COMESA (certainly to include the EAC). This could lead to an FTA whose components would be EU, SACU, and COMESA.

The EU-South Africa precedent and the proposals of the EC both suggest that any arrangement(s) would be asymmetric, with more sensitive product exemptions on the SADC side than the EU. These, again, could be the same across the countries or different, with the differences being either completely separate lists or different numbers of products taken from some standard list. In an FTA, the choice will affect trading partners. Even if rules of origin prevent trade deflection (importing a good through a low tariff country to a high tariff country), the imports by the low tariff country may mean substitution of EU goods for a SADC good[14]. This would be an additional argument for a coordinated approach to an EU (or other) strategy.

A basic question is what the SADC countries want out of a trading relationship, and whether

14 This would be trade 'undiversion' not trade diversion, and therefore welfare improving, but this would not necessarily make it acceptable to the SADC trading partner. The EU product could only displace the alternative SADC product if the EU is the more efficient producer, but the fact that the product had been designated as sensitive in the country still protecting it suggests that losing export share would be considered undesirable. This is the essential difficulty of FTAs: while any alteration to the external regime (and many alterations to the internal regime) may affect the trading partners, they do not have the legal right they would have in a CU to influence the decisions.

they want the same things. A preferential arrangement (GSP or Lomé) offers a temporary improvement in access, with the theory behind it being that breaking into a new market, by a new producer, requires some special assistance. For some SADC countries, Lomé has worked in this way, but others (particularly among the least developed) think that they were not yet ready to benefit from this. They do not yet have the potential exports. A regional arrangement, with in principle permanent duration, is based on a different theory: that liberalising trade increases efficiency (and that, in a particular case, this effect will be greater than the inefficiencies created by trade diversion in a region); the emphasis is on the advantages of increased imports to income, not those of increased exports to output or of encouraging a particular sector as part of a development strategy. Some SADC countries may consider themselves ready to take advantage of this, but others may not. The effect of permanent tying to a particular trading partner must also be considered: implicitly preferences are seen as temporary, so Lomé was never seen as permanent; regions are normally of indefinite duration. The EU-South Africa agreement is of indefinite duration, although with an unusually short notice period for withdrawal of six months. But export access remains also an issue, because the non-least developed countries (as indicated in chapter 3) would lose existing preferences and access.

If SADC countries do not want the same things, this might not preclude agreement. For the least developed countries, preferences may be becoming more relevant, and at least they might not want to lose the possibility for ever by entering a binding FTA. But the developing could still have the benefit of access by, for example, investing in the least developed and using their access to the EU (and other developed countries). This would not apply to all products or countries., and clearly having their own access rather than using a least developed neighbour would be even better, but it offers an additional choice: for the developing to give up direct access, which would mean not having to give reciprocity, but substitute indirect access through the others. It provides an interesting counter-example to the assumption that an FTA will necessarily want the same relations with external partners for all its members.

This also calls into question the EC position that least developed countries in a REPA would have to lose their (WTO-contracted) access rights. If there is to be differentiation among its agreements with SADC members, then there no practical or legal reason for not allowing this particular type of differentiation. If negotiations could preserve the least developed's rights, this would increase the possibility of securing some agreed strategy between the least developed and the developing.

As well as its own negotiations, SADC must consider its position within the ACP, whose negotiations with the EU have already begun. The negotiating position there is to concentrate on preserving as much as possible, for as long as possible, the Lomé conditions, with pressure for a 10 year transition period instead of 5 before any post-Lomé arrangement begins, and preference for an improved and reformed GSP, which could have as near as possible the same effect as Lomé, as the next option. The key word is Alternative Trading Arrangements (ATAs), which includes REPAs, but is definitely not restricted to them. The ACP position also supported a third way of dividing the ACP countries: not just by region or by least developed and other, but introducing 'small landlocked and island' as separate category.[15]

[15] It should be noted that the WTO has observed opposition to special treatment for SIDS (small island developing states) on the part of some Least Developed countries.

This brings out the contradiction implicit in the Green Paper, which supported differentiation among the ACP countries on the grounds of different needs and levels of developments, but then proposed regional arrangements, each of which would take in developing and least developed countries (and two of which, SADC and CARICOM, would include developed countries).

There are thus a range of possible options for SADC with respect to the EU, working together or separately, with all or subgroups of ACP, in the short or long run. A final option is to decide to concentrate on multilateral negotiations instead. The most likely choice will be some combination.

5.2 SADC and the WTO

SADC does not have the choice of not taking an interest in the WTO: all its members are WTO members (plus an applicant); all are bound by its rules, and will be bound by any change in those rules. But there are few examples in WTO papers of SADC interventions, with South Africa and Tanzania the only, partial, exceptions; while all developing countries are relatively inactive, Latin American and Asian are more often present. This is both cause and effect of the low levels of representation mentioned in chapter 2. This is a cause for concern at the WTO: one of the commitments secured from Switzerland when it bid for WTO to remain in Geneva was that it would establish a development house, with facilities for developing country missions, and possibly some support. This has not been done. The relatively large representation of Tanzania and South Africa could provide a basis for SADC representation, with coordination on practical matters at least. There have also been proposals for ACP and for Commonwealth country pooling of resources. It is not only necessary to receive information, but to ensure that SADC interests are taken into account at an early stage when countries are forming proposals. This is particularly difficult as these preliminaries are done by countries and groups of countries, not by the WTO secretariat.

SADC has not been notified as a region under Article XXIV (because there is as yet no full trade agreement to notify), but it does have observer status.[16] This gives it the opportunity to present policies jointly, when these exist. SADC could act as individual countries, jointly as SADC, with other appropriate groups (agricultural exporters, clothing exporters, least developed countries, etc.) or with the EU in the WTO. For any of these, it has to identify what it could get from the WTO system.

There are two questions: the possible changes in the WTO's policies for autonomous reasons which could affect SADC (discussed in Chapter 3), and what SADC itself could try to change. With the possible exception of South Africa, all the members have an interest in preserving the special treatment and increasing the special interest of the WTO in developing countries. Some SADC exporters might gain from the proposals to encourage preferential liberalisation of goods where subsidies in developed countries produce not only distortions, but environmental damage (certainly in agriculture or fishing compared to the developed countries which now subsidise these, possibly in other cases). They would gain from

[16] As it contains a developed member, it may need to be notified directly under the Article XXIV procedure, not the enabling clause for developing country regions. The Trade Protocol provides for registration with the UN and the OAU, but not the WTO, perhaps reflecting a belief that it would come under the enabling clause.

liberalisation of agriculture more generally (except in the protocol cases). SADC countries have not yet participated in these debates. For the least developed countries, there is an interest in preserving and improving the initiatives to give them special access. For other developing, the squeeze between lower MFN and higher least developed access leaves little space for GSP, and this is in any case discretionary, not to be negotiated. They could look at where MFN rates need to be lowered (agriculture and clothing are likely to be issues where they will find allies in the next Round). Any progress here would not only recoup any losses in access to the EU, but improve access to the rest of the world.

A more general objective would be to try to secure general liberalisation so that all of SADC would preserve its access to the EU, but on the basis of a world wide reduction in barriers, secured in the WTO, not by means of a special agreement with the EU. Winters (1998) has proposed that the EU reduce its MFN tariffs on goods relevant to developing countries, that the ACP reduce their tariffs, also on an MFN basis, and that they together use this to bargain for similar reductions by the US and Japan. This would secure all the access of the proposed REPAs (in both directions), plus improved access to the rest of the world, without the risks of trade diversion. If this type of access is what both the EU and SADC want, then this is the logical proposal, and the practical difficulties identified for all the other proposals mean that this does not look more impossible than REPAs or improved GSP. But if the EU purpose behind the REPA proposal is to obtain special protected access for its own goods in ACP markets, clearly it would not support this. The ACP countries could present it as a joint proposal.

The combining of EU and multilateral strategies offers another possibility to SADC. It could negotiate a REPA, to secure its guaranteed access to the EU, and then liberalise to the rest of the world (even if it could not obtain reciprocal liberalisation at the WTO). This would preserve its access, and obtain greater advantages of liberalisation of imports than liberalisation to just one developed trading partner could give (because there would no longer be risks of trade diversion).

6. Institutional questions about negotiations

For any of the joint strategies suggested, including a joint decision to act independently, it must be possible to identify and implement SADC negotiating objectives: within SADC, with respect to the EU, and with respect to the rest of the world. This is never straightforward, even within a country, and much less so within a regional group. The first difficulty is the range of subjects which are now part of negotiations: not only trade, but financial questions, standards, etc., so that representatives are needed from commercial, sectoral departments (agricultural, industrial, mining, services); financial and legal experts. It means informing and securing agreement from all these. In some cases (in the EU and also in some SADC countries) relations with different external partners are dealt with separately (DGVIII for the ACP, DGI for the others; in SADC countries divisions between Lomé and SADC negotiators are common, and the WTO may be a separate responsibility). A coordinated strategy must bring these together (some of the EU's difficulties in defining regions and relations with them probably stemmed from the division of responsibility, where DGI had more experience in dealing with trade and regions, and DGVIII took the post-Lomé initiative). Even the WTO does not coordinate all its divisions. In the countries which are most successful in international negotiations, this coordination goes beyond the public sector. This is not only to ensure that private sector interests are protected, but because, particularly in new areas like services, the only expertise in a country's interests and needs may be found in the private sector. The WTO offers advice (and some opportunities in its training programmes and trade seminars) for developing these contacts, but these are ultimately the responsibility of individual countries. The need for coordination across sectors and functional responsibilities within the individual SADC countries cannot be dealt with in detail here, but SADC itself requires some comment. It faces two problems: its own cross-sectoral division and the division of responsibilities between countries and centre faced by all regions.

As a Free Trade Area, there is no legal need to have a 'SADC' position on external policy because any negotiations with the rest of the world will be about what each country will concede, but there is probably a practical need, because perpetual referring back and consultation would obstruct any strategy, and the arguments for joint action are powerful. If there is an intention of moving to a common external tariff, or common regional policies on other developmental questions, there will also be a need to find the institutions and the relationships to deal with this.

What are the possibilities? SADC has a sectoral or topical division of responsibilities, and therefore finding a consistent position across all the topics now facing trade negotiators will be particularly difficult. At present, there is no provision for coordinating country positions, and on trade it would not be clear if this should be at the initiative of the Secretariat or the SITCD (acting in this case with all the other relevant sectoral divisions). SADC can observe the two extremes: the EU with a centralised organisation, with legal competence to negotiate (although actual power is still partly in the ministerial consultations which lie behind Commission initiatives) and SACU, which has no secretariat or central organisation. Even FTAs normally have more than that. What will actually work depends not only on the legal structures, however, but on the nature of the region. The EU is a collection of middle sized and small countries, with no single dominant country. Agreement will always be a matter of bargaining, and there is no permanent 'winner'. SACU has one dominant member. South Africa will always be unwilling to be outvoted by the others, and the others will resent not having a real influence, however much agreement and confidence may exist among the members. SADC falls between these two extremes, so it will be difficult, but not impossible to create a structure to balance the members' interests. To allow any delegated group or secretariat to negotiate requires strong common interests and trust, in the central body and among the member countries. The alternative remains of leaving the negotiations to the countries (with strong efforts to exchange information) as is done in other FTAs.

In the early stages of the South Africa-EU negotiations, it was officially stated that these were not with SACU, although the other SACU countries could expect to be informed. They were never formally joined to the negotiations, but *de facto* they will now face that arrangement as their alternative to a REPA when Lomé ends, not GSP. Here, and in other cases (including the SADC trade negotiations) the other SACU countries have relied on South Africa to formulate and represent their interests. If this continues, it gives an even more unbalanced SADC, if the 'major country' is SACU, not just South Africa.

This very powerful member makes it more necessary, as well as more difficult, to have a strong central secretariat or council to balance it. It also means that it is important for the major country (as for all countries) to inform other members when it takes initiatives. This is not to say that it should not take actions (like the EU-South Africa FTA), but while an FTA can tolerate different external relationships, it cannot survive inadequate information about these because they affect all members.

One advantage SADC countries have is that their experience in SADC trade negotiations gives them a background for future negotiations (the value to the EU of their experience has been evident in its participation in the WTO). Preparing offers and choosing priorities in SADC will give some of the groundwork for similar work in the WTO.

In international negotiations, the EU is the only region which acts always as one group on the matters which are under EU competence, speaking through only one voice. (MERCOSUR has the intention, but not yet the habit.) NAFTA, Central America, SAARC (South Asia) and ASEAN (South East Asia) all coordinate and inform each other in WTO negotiations, and occasionally one country will speak stating that it is representing the group, but (unlike the EU) they are not themselves members of the WTO or any other international organisation. This form of coordination has been proposed for SADC, and there is a framework for ambassadors to meet each other before WTO meetings, under the coordination of the Tanzanian Ambassador (who is himself active in WTO negotiations), but lack of time and awareness of the issues has prevented this from being effective. There are also some sectors (for example fish) where there may be only one or a limited number of countries with an interest, and they will want to represent themselves.

If SADC starts to take initiatives, this will ensure that it is seen as region by others (making any initiatives or responses easier). The ACP countries, and SADC has not been different, have tended to use the EU as their representative in the WTO, and to rely on the EU for information about WTO requirements. Keeping ambassadors in Brussels instead of Geneva was part of this. Clearly this could not support an alternative strategy which tried to reduce emphasis on EU relations.

If there is to be joint action with the rest of the ACP, this raises all the same questions of how to do it, with additional practical ones: the ACP southern Africa group is not the same as SADC, because regions have never had any standing within the ACP. Reorganising the ACP to take account of regions could weaken its stance against the EU in the Lomé negotiations (by implying acceptance of the regional division proposed by the EU).

SADC cannot expect to resolve these questions more quickly than have other regions (and the EU still has not succeeded, as illustrated by member countries' different approaches to the Lomé negotiations). It will need to secure at least some cooperation on major issues if it is to be able to have any strategy, and not just respond to EU or WTO initiatives.

7. Rules of origin

A rather different chapter topic from the others, but for an FTA which already has some differences in its external relations and is considering more, it is essential. It has been argued (Evans, 1998) that SADC borders are so porous that rules of origin are unenforceable, but the fact that tariffs are collected and imports controlled makes this seem unnecessarily pessimistic. There is a difference between the situation in SACU, where trying to keep the EU-South Africa agreement from applying to the other members would mean establishing controls within a customs union which has existed for over a century, and SADC, where the issue is how much control to remove.

If a country has the same trade barriers to all countries, then it makes no difference whether an imported good originated in the country of shipment or is (wholly or partially) the product of a third country. Once it has entered the country, having paid the appropriate tariffs, it can be treated in most instances in the same way as a domestic product. Countries may have provision for temporary import or imports of raw materials for processing and export, and these will require certificates and possibly inspection of a good as it moves through a country. These products tend to remain within one firm, and by definition are not for final consumption in the home country, so that the administrative system is manageable. If, however, a country has different tariffs for different trading partners, and if they in turn have different tariff structures, as in an FTA, then rules of origin are required to avoid importers' taking advantage of the lower tariff of a partner in the free trade area to bypass the home country's tariffs (often called trade deflection). In principle, these rules would no longer be required in a customs union, where internal barriers do not exist and tariffs to outside countries are the same. In practice, it is only at a very advanced stage that a customs union makes all barriers to external countries the same. The EU nominally reached this stage on 1 January 1993 (almost 40 years after its foundation), but there still remain a few special cases. The member countries of SACU have bilateral arrangements with outside countries, which require intra-SACU regulation.

How important SADC should consider the design and enforcement of rules of origin must be decided in the context of its intentions and assumptions about how the region and the multilateral system will develop. If policy-makers see the current move to regions, including the SADC Trade Protocol, as an intermediate step towards full multilateral liberalisation (in line with WTO Director General Ruggiero's proposal of free trade by 2020 or some of the APEC rhetoric), and if the members are likely to be reducing their normal, MFN, tariffs at the same time as their intra-SADC tariffs or shortly after SADC is completed, then the rules of origin can be seen as temporary necessities. Producers will not have a strong incentive to devise complicated ways of evading or avoiding them, and governments will not want to set up permanent administrative structures to deal with them. If there are inefficiencies, these can be accepted or treated in an *ad hoc* manner. If, however, SADC expects external barriers to remain while SADC moves to 'ever closer union' among its members on the model of the EU, then the administrative structures will need to be capable of surviving on a permanent basis, and will need to be sufficiently efficient not to be a permanent obstacle to firms' competitiveness. The rather short treatment of rules of origin in the Trade Protocol (in sharp contrast to the 19 pages which the NAFTA agreements devotes to the much less complex situation for just three countries) implies that it is the first, transitional, model which is relevant. If so, many of the problems cited here may be bearable.

A consideration of rules of origin on their own must find that they create serious inefficiencies, but this cannot be the final conclusion. The choice is among three types of regime, with the third offering an infinite number of variations.

- Complete free trade: obviously no rules of origin needed, but the fact that Southern African countries have tariffs and non-tariff barriers now must be taken as a strong indication that they do want to protect some sectors in some ways.

- A pure MFN regime, treating all external countries the same. SADC countries have also rejected this, with SACU, other bilateral arrangements within and outside SADC, preferential entry into some developed countries.

- Regional or other preferences.

The two warnings that should come out of this analysis are that all the rules have costs, both direct and in deterring new entrants, and that having a range of regional affiliations can become increasingly costly (the costs are not just additive because of the need to include provision for all the existing ones in each new set of rules).

How effectively rules of origin work depends on the efficiency of trading firms as well as of the customs regimes of member countries. The system can work efficiently for goods that are traded frequently, by traders who can become familiar with the requirements. It is particularly difficult to operate if imports are substitutes for domestic goods, or imports from regional partners are substitutes for those from third countries, and both are traded, directly or as inputs, within the region. Because of the administrative costs, companies will only take advantage of such provisions as cumulation if the difference between SADC and other tariffs is sufficiently large.

Any future trading agreement with the EU or others potentially involves a complex of new rules of origin applying to imports to and exports from the trading partner. Difficulties with rules of origin fall into two broad categories: (1) problems for customs authorities arising from importers trying to avoid the correct levels of duty by routing goods through third countries with lower tariffs and preferential access to the destination market and (2) problems for exporters in ensuring that their goods qualify for preferential access to a target market.

On the import side, rules of origin are already complex for SADC countries. SADC follows the COMESA rules of origin, but the CBI agreements have a different system, with product and sector-specific rules. Zimbabwe, for example, has four tariff structures in operation – MFN, COMESA, the trade agreement with South Africa and a common Trade Agreement Structure for the bilateral agreements with Malawi, Botswana and Namibia. With SACU members having different bilateral agreements with neighbouring countries and two belonging to COMESA (Swaziland and Namibia), there is need for rules of origin to be applied at customs posts even within SACU. While there are important reasons for the implementation of the SADC FTA to involve asymmetrical liberalisation, this will considerably complicate the rules of origin requirements at SADC borders. If the transitional period is not too long, however, the incentives for importers to set up complicated routings for goods will be moderated and will anyway diminish over time as tariff rates converge and decline across the region.

In the present relatively less complicated situation, there are different opinions about the degree to which customs authorities in SADC countries are able to apply rules of origin effectively to ensure that importers pay the required levels of tariffs. Anecdotal information from business people indicates that routing through third countries is not uncommon, but customs officials from various countries interviewed during the study expressed confidence that the problem is not widespread, ignoring perhaps the fact that many SADC borders can easily be crossed without going through customs posts at all. There have certainly been complaints in the past about rules of origin being breached, for example of milk powder from Zimbabwe entering Namibia duty-free under the bilateral agreement and being re-exported to South Africa duty-free under SACU. Given the relatively high SACU tariffs, a route into the South African market for regional exporters which avoids SACU tariffs is bound to be attractive. It is incumbent on South African customs to police such activities: in such cases, there is provision in the SACU agreement for the re-exporting country to pay the equivalent of the required tariffs into the SACU revenue pool.

When the EU-South Africa free trade area comes into force, the onus to apply rules of origin to prevent European goods entering the BLNS states via South Africa without paying duties will be on the customs authorities of the smaller states. Not only is the capacity to deal with rules of origin more limited, the scale of the problem for the BLNS states is likely to be much larger than the converse problem faced by the South African authorities. From an economic viewpoint, where the imports involved are consumption goods, particularly luxury goods, the loss of revenue will probably have a negative economic impact, exacerbating the problems the BLNS countries anyway face with a reduced SACU revenue pool due to reduced tariff revenues from EU imports into South Africa. Where the imported goods are intermediates or capital goods, however, producers in the BLNS countries will benefit from lower prices if EU goods are imported in contravention of rules of origin requirements. Where these goods replace more expensive South African items, BLNS producers may be able to significantly enhance their competitiveness.

The second rules of origin issue relates to exports. For potential exporters, the complexity of different rules of origin which need to be adhered to in order to qualify for preferential access to various markets can well form a deterrent to establishing export markets in those countries or regions. Rules of origin in this context can be established and operated as a protection mechanism, in contravention of the spirit of FTA arrangements. Although rules of origin are yet to be agreed for the SADC FTA, these should not be onerous for regional exporters, but the protection threat certainly applies in the context of the EU market. The rules of origin in the Lomé Convention are relatively straightforward and are at least familiar to exporters in the SADC region. Rules of origin for its GSP and for the EU-S.Africa FTA are more taxing.

Of particular concern in the latter is the opaque cumulation provisions, which will make it more difficult for exports to originate from various Southern African countries and still qualify for preferential access to Europe than is the case under Lomé. The SACU countries, in particular, are therefore faced with the difficulty of policing EU goods entering their countries without paying the stipulated duties, while not having the countervailing benefit of easily being able to contribute to exports which have preferential access to the European market.

Pending full multi-lateral liberalisation, part of the solution to problems with rules of origin lies in harmonisation. The Uruguay Round proposed the establishment of harmonised rules of origin for non-preferential trade and set up two committees in Geneva and Brussels with a work programme to be completed by July 1998. While some progress is reported, the committees failed to meet the deadline. They have reached a point where the technical issues have been cleared and the disagreements reflect different trade policy objectives. Further progress thus depends on political guidance from the WTO Council for Trade in Goods and Services and the General Council. It is hoped that the outstanding issues will be resolved in anticipation of the commencement of the Millennium Round negotiations. Some countries (and trade groups like the International Chamber of Commerce) expect that any agreement on harmonised international rules of origin for non-preferential trade will carry over to preferential arrangements, thereby providing a single framework for exporters.

COMESA is carrying out a study on rules of origin which includes coverage of the work programmes of the WTO and the WCO (World Customs Organisation). SADC members are aware of this study and its results are likely to be fed into the work of the SADC sub-committees on Customs Cooperation and Trade Facilitation. These committees report to the Senior Officials Committee, but in future will also be keeping the Trade Negotiating Forum members informed so as to feed directly into the SADC Trade Protocol negotiations.

In its relations with the EU, it is important for SADC to clarify whether the EU intends Lomé-type rules of origin to apply in REPAs or the more problematic arrangements exemplified by the EU-S.Africa FTA. The claim by the EU that a fundamental tenet of the REPA arrangements is to promote integration within regions such as SADC should lead to easily applied cumulation provisions for EU imports from the SADC region. Given the co-existence over the next few years of the Lomé provisions and the EU-South Africa FTA, and the uncertainty of relations with the EU thereafter for all countries except South Africa, the immediate simplification and harmonisation of allowing cumulation for exports to Europe would certainly provide an impetus to the integration of production systems in the region. At the political level, this would give credibility to the EU's regional development claims, setting a positive context for the REPA negotiation process.

8. An approach to quantifying the effects of different strategies

8.1 Background and assumptions

The greater interest in regions of the last few years has led to a series of studies which try to predict which type of regions or which country characteristics offer the most benefits. The results have been inconclusive, because of the wide range of variables: the size of the region and of the individual countries, price elasticities of different commodities, level of tariffs, relative level of tariffs, elasticity of supply of potential exports... A few conclusions seem to hold, but with two important reservations: first, in all the existing regions, the basic motive is not trade gains, but more fundamental development objectives and political or security objectives. This means that the simple trade effects are an additional benefit (or a cost), to be taken into account, but rarely allowed to decide the choice to form a region. Second, any observation can only be *ceteris paribus*: if the other variables go in the 'wrong' direction, the conclusion need not hold. It must also be remembered that (in contrast to the balancing of trade creation and diversion in regions) there are only limited special cases where full trade liberalisation will not benefit a country, but few countries accept this as a sufficient argument to liberalise completely unilaterally. The effects on different sectors, or on different parts of the population, or other non-economic interests can all come into play.

The larger the share of trade with the other members of a region in the imports of the country making the choice, the less the risk of trade diversion, for two reasons: not only is there less trade left to be diverted, but, if there are no preferences initially, a high share *may* indicate a competitive supplier (it might, however, also indicate a traditional supplier). The higher the tariff, the greater the risk of diversion: this seems obvious as the higher the tariff the greater the effective preference which the country will give its regional trading partners, and therefore the greater the possibility that an uncompetitive partner will become artificially competitive. Bhagwati and Panagariya (1997) argue that 'non-hegemonic countries which are liberalising with a hegemon which is generally open and offering few new reductions of trade barriers, as is the case with Mexico and with other potential NAFTA members, could face the prospect of significant "static" welfare losses' (p. 4). It gains little in access, and loses the possibility of using its tariff to capture some gains. None of these suggests that an EU-SADC agreement is likely to be beneficial to SADC. While the EU is the major source of imports outside the region for SADC and most of the member countries, its share is not as high as intra-European trade (60%) and well below relationships like Mexico to the US (90%). On average it is about a quarter, although there a wide variations. Leaving aside the BLNS countries (whose imports from the EU come through, and are classified as from, South Africa), Angola, DRC, Mauritius, the Seychelles, and (in some years) South Africa have higher than average shares, with Angola and DRC touching 50%. The SADC countries still have relatively high tariffs (compared to the EU and to other countries in the 1990s, although they are not high by comparison with the tariffs common among developing countries before the 1980s), but the implementation of SADC (and COMESA, IOC, and CBI) could lower this by the time SADC negotiates an agreement with the EU. It is clearly a set of small countries facing a large one.

The first question to ask is what we take as the 'base' to which we compare the possible strategies, because, as we indicated in Chapter 3, it is not sufficient to compare them simply to the situation now. The major change which we incorporate into the 'base' is the EU-South Africa agreement. There will be at least one WTO round, with major outcomes on services (not included in the model) and agriculture, and some concessions on industrial good tariffs. We assume this can be represented by a 50% cut in tariffs (which would be major for agriculture and minor for industrial goods), and include it as one of our scenarios. We have not assumed any changes in the EU's policies with respect to the other ACP countries or other possible FTA partners, for example in Latin America. This effectively means that we are assuming that the rest of ACP continues to have the same access to the EU (the model incorporates current policies), and no new agreements are signed. We are not assuming that the SADC countries will have improved access to the EU or to all countries by using environmental arguments: this could improve access.

The complexity of the changes in SADC countries' trading regimes (even before allowing for a REPA or WTO liberalisation) means a further complication in the interpretation of the effects of future trade strategies. The SADC countries will not be starting from a position of the same tariff to all trading partners. All our scenarios (except the simple WTO Round) assume the successful completion of the SADC FTA. Therefore all will be offering 0 tariffs on all (almost all if a few remain sensitive) products from other SADC countries, and the SACU countries already offer 0 to each other. There may, however, be additional preferences from the COMESA, EAC, or IOC members to COMESA, AEAC, or IOC members outside SADC. Thus as well as the risk of diversion, there is the possibility of 'undiversion': if a SADC country (by the implementation of the Trade Protocol) switches to importing from another SADC country less efficient than the EU, then reducing barriers to the EU may shift import-sourcing to the EU; this may be less efficient than some third country, which is neither EU nor SADC, but still an improvement in welfare.[17] (The only form of liberalisation with no possibility of trade diversion effects is, of course, full multilateral liberalisation.)

This highlights the importance of the timing and sequence of trade policy changes. If the SADC FTA creates risks of trade diversion, and EU-SADC arrangements could reduce these, then reducing any delay between negotiating the first and the second is clearly desirable. But if there is an intention to go for greater general liberalisation by the SADC countries (in particular a levelling down of tariffs to a common external tariff) then any policy which might cause diversion to the EU should be postponed.

If the trade creation effects of the EU-SACU agreement cause some industries in South Africa to be badly affected by competition from the EU, then SADC (in the absence of a SADC-EU agreement) could provide alternative markets. Alternatively, it could see an advantage in adjusting simultaneously to a more general liberalisation to the world. This is the counterpart of the argument for the other SADC countries that opening to the EU would partially offset trade diversion effects from opening within SADC (for both South Africa and the others, full liberalisation would obviously be more effective in avoiding diversion).

This complexity also means that one advantage often attributed to regional arrangements,

[17] Some SACU countries see this as a possible benefit from the EU-South Africa agreement, but these benefits will not be captured by our model because EU-South Africa is already in the 'base'.

of simplification of border controls, is unlikely to be achieved. Such benefits are always less likely in FTAs than in CUs (and even a CU may not be sufficient: it was only with the Single European Market exercise of 1992 that the EU moved to real simplification of border measures). Even an FTA which is its members' only trade arrangement needs rules of origin to avoid trade deflection, routing trade through the lowest tariff country, and SADC's complex of arrangements will mean that it will require very effective customs controls. If the EU's FTAs with the SADC countries are all the same, in coverage, rules for cumulation, percentage of preference, etc., this would be simpler than if they differed, and we assume this. This should still require us to assume some increase in the cost of trading (one additional trade agreement) but we have not allowed for this. There is an additional risk of trade diversion from the inherent cost advantages of trade with developed countries: most SADC countries lack the credit and insurance markets, and in particular the government assistance to exporters, which many developed countries offer. This *de facto* export subsidy has a similar effect to a preference for imports from developed countries.

As indicated in chapter 1, this is not the first attempt to consider the effects of the EU proposals, but it will attempt a different approach, and look also at the WTO-based strategies or at purely autonomous SADC action. Rather than a purely trade, partial equilibrium model, we will use a general equilibrium model, which will allow us to take account of a wider range of effects on the economy.[18] It does not, however, allow us to deal with commodities and country-to-country flows in as much detail, and for this the Imani study should be used with it. The model is not sufficiently disaggregated to allow us to calculate the effect of the loss of access which the non-least developed countries would suffer if they received roughly current GSP treatment instead of the current Lomé access. For this comparison, the Imani study and the results quoted in section 3.2 should be used. If it is assumed that the alternative to a REPA would be an improved GSP, which would be equivalent to current Lomé (but without the special protocols), then the comparisons here apply.

The model is only disaggregated between SACU and the rest of SADC, not by individual countries. This means that we necessarily assume that either all the other members of SADC or none sign a REPA with the EU: as we have said, countries could choose individually, but we assume that SADC's intention to have a joint development strategy leads it to a joint decision on its trade policy towards the EU. An alternative assumption is that it could jointly decide that only the developing members would sign with the EU, while the Least Developed stayed out. Country tables are derived by assuming that the effects on the Rest of SADC can be applied proportionately to each individual country; SACU is treated as a single trading unit throughout.

We have presented only comparisons of the final outcomes. We have not modelled how the adjustments to the final outcome would occur or the effect of staged tariff reductions. The intermediate stages will be a complex mixture of the policies modelled here and the other liberalisations by SADC countries. Partly for this reason, but more fundamentally because of the assumptions of high elasticities of demand and supply in the model, combined with the need (in a general equilibrium model) for exports to balance any increase in imports, the movements in individual commodities appear large. The direction

[18] A full description of the model is available on request.

and relative magnitudes are probably more reliable than absolute magnitudes. The distribution among countries is also unreliable, not only because of the assumption of the same changes in all countries, but because the constraints of fiscal and international balance are applied only at the aggregate level. This is discussed further in section 8.5 on the implications for individual countries. We have not excluded any products from the liberalisation as 'sensitive': the classification by sector of the model is not fine enough, and there has been no indication by countries of what they would want to exclude, but it is possible that the products excluded by South Africa in its agreement could be taken as first guess. They are not large enough in value to affect the aggregate results, but they would reduce the sectoral results in clothing, textiles, and vehicles.

8.2 The scenarios

Structure of production, income, trade and import protection

The basic data set for SACU and Rest of SADC for the CGE model used here was derived from the GTAP database, which collects into a single consistent framework data for 45 regions and 50 sectors for the base year 1995. This section presents some information on the structural features of the countries' economies, which is useful for the interpretation of the simulation results reported later.

Table 8.1 shows structural data for SACU. For each of the 18 sectors considered here and three aggregate macro-sectors (agriculture, manufactures and energy-mining), the benchmark data for shares of gross output (column 1), value-added (2), total demand (3), exports (4), and imports (5) are shown. Services are a large share of output, generating almost 50 per cent of gross output and almost 60 per cent of value added. Primary sectors, agriculture, energy and mining, represent 15 per cent of production and 16 per cent of value added. Because it has a different production technology and a larger consumption of intermediate inputs, the manufacturing sector's share of gross output (37 per cent) exceeds its value added share (25 per cent). Columns 4 and 5 list secctors' shares in exports and imports. It can be seen that manufacturing plus mining account for over three-quarters of total trade flows. Notice also – in columns 7 and 8 – that exports' and imports' shares of output and demand, respectively, are much higher for primary (around 20 per cent for export and 10 per cent for import) and manufacturing (15 and 20 per cent) than services (3 and 5 per cent[19]).

Column 6 presents the labour to capital ratios (in percentage terms). Returns to labour appear to be highest for the light manufacturing industries (sectors 8, 9, 10, 11) and services, whereas primary sectors have a higher return to capital.

Columns 7 and 8 measure trade dependence as ratios of exports to gross output and imports to demand. The economy-wide ratios are around 11 per cent for both export and import ratios but vary across the sectors. A clear feature of the data in these two columns is the high export dependence of SACU on primary goods, and import dependence on manufacturing. Almost 20 per cent of total agricultural production and 85 per cent of mining output is exported. The single manufacturing sector showing a significant export

19 It should be noticed that the service sectors include non-tradable sectors such as construction, real estate and public administration.

ratio is the food product industry (41%). On the import side, foreign products satisfy, on average, just 10% of agricultural goods demand, whereas dependency on certain key capital goods sectors is much higher (vehicles and other manufacturing register values of 25 and 36%).

Table 8.1: Basic structure of the SACU economy 1995 (figures in percentages)

	Out put	Val. Add.	De- mand	Exp.	Imp.	Lab/ cap	Exp/ Out.	Imp./ Dem.	Imports			Exports		
									R_ SADC	EU	ROW	R_ SADC	EU	ROW
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)
1 Cereals	0.2	0.2	0.2	0.8	0.9	66.6	42.2	46.6	2.7	14.2	83.1	18.0	1.1	81.0
2 Horticulture	1.0	1.4	0.7	3.0	0.2	66.6	30.8	3.3	7.3	8.9	83.8	2.7	72.8	24.5
3 Sugar (raw)	0.3	0.4	0.2	0.6	0.1	66.6	22.7	3.5	0.0	0.0	100.0	6.2	32.0	61.8
4 Rest of Agriculture	0.5	0.6	0.5	0.9	1.3	66.6	19.3	28.3	23.1	7.2	69.7	6.1	45.2	48.7
5 Livestock (incl. Fishing)	1.4	1.4	1.3	0.9	0.2	66.6	6.8	1.7	3.8	39.5	56.6	1.7	72.4	25.9
Agriculture	3.4	4.1	3.0	6.2	2.7	63.8	19.3	10.2	12.9	11.9	75.2	5.3	55.6	39.0
6 Meat Products	2.3	0.3	2.3	0.4	0.9	155.6	1.8	4.5	1.5	40.1	58.3	5.0	88.3	6.6
7 Dairy Products	0.7	0.5	0.7	0.1	0.1	142.1	1.9	2.2	13.3	48.6	38.1	65.0	0.0	35.0
8 Sugar (processed)	2.4	1.2	2.3	0.9	0.1	236.1	4.1	0.6	26.7	10.1	63.3	5.0	45.1	49.9
9 Other Food Products	0.7	0.4	0.7	2.9	2.6	329.1	41.3	40.9	4.3	19.2	76.6	12.6	42.4	45.0
10 Textiles	1.1	0.8	1.3	1.4	2.7	234.3	13.0	23.8	3.1	31.5	65.4	13.7	33.0	53.2
11 Apparel and Leather	1.6	1.1	1.7	1.7	2.0	311.8	11.2	13.8	8.8	14.1	77.1	5.5	41.6	53.0
12 Light Manufacturing	9.8	6.9	9.9	13.7	14.5	98.9	15.0	16.9	1.4	59.5	39.1	17.2	28.1	54.7
13 Min. and Metal Products	7.7	6.2	5.8	23.7	5.5	134.6	32.7	11.0	3.5	58.9	37.6	7.6	21.6	70.7
14 Vehicles	3.5	3.9	4.6	2.5	10.0	48.6	7.5	25.2	0.2	45.7	54.1	30.6	36.4	33.0
15 Other Manufacturing	6.9	4.1	9.8	6.0	30.3	123.9	9.3	35.7	0.3	56.8	42.9	34.5	32.8	32.8
Manufacturing	36.8	25.3	39.1	53.3	68.7	114.3	15.4	20.3	1.4	51.9	46.7	14.6	28.1	57.3
16 Energy	9.4	9.1	9.2	8.8	7.7	47.0	10.0	9.7	0.1	13.8	86.1	4.0	53.2	42.9
17 Mining	2.1	2.9	0.5	16.9	1.4	87.8	84.8	33.7	3.2	44.9	52.0	1.2	73.6	25.2
Energy and Mining	11.5	11.9	9.7	25.7	9.1	55.1	23.8	10.9	0.5	18.5	80.9	2.2	66.6	31.2
18 Services	48.3	58.7	48.1	14.8	19.5	238.6	3.3	4.7	0.3	53.8	45.9	0.5	31.6	68.0
Economy-wide	100.0	100.0	100.0	100.0	100.0	154.5	10.7	11.6	1.4	48.2	50.4	8.8	40.2	51.0

The last six columns show regional trade distribution. They show imports from and exports to the regional partner (rest of SADC for SACU), the EU and Rest of the World as shares of total SACU trade flows. It is clear that SACU dependence on Rest of SADC as a trading partner is quite limited. Import dependence is higher for agricultural sectors; export is higher for manufactures, and is concentrated in the dairy sector. In contrast, SACU dependence on the EU is significant. The EU as a whole absorbs, on average, around 40% of SACU exports, with peaks of more than 55% and 66% of its agriculture and mining products. European suppliers also supply about half SACU's total imports.

Table 8.2 shows comparable data for the Rest of SADC (R_SADC) region and close inspection reveals interesting similarities as well as contrasts. Notice, first of all, the very different production and income structure. The reliance of the R_SADC economy on primary sectors is much higher as shown by their 34 and 43 per cent shares for gross output and value added. Manufacturing is concentrated in traditional sectors (textiles and apparel and leather) and mining and metal products.

Column 3 displays the demand structure (total demand) and this also shows a relative backwardness of the R_SADC economy relative to SACU, with a much higher share of income spent on primary sectors, manufacturing necessities, and less on services.

The trade structure illustrated in columns 4 and 5 shows that, although previous trade policy reforms resulted in some export diversification, exports are still concentrated in some crucial primary sectors. Manufactures account for almost three-quarters of imports.

Table 8.2 Basic structure of the Rest of SADC economy 1995 (percentages)

	Output	Val. Add.	De-mand	Exp.	Imp	lab/ cap	Exp/ Out.	Imp./ Dem.	Imports			Exports		
									SACU	EU	ROW	SACU	EU	ROW
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)
1 Cereals	3.5	5.7	4.0	0.2	1.8	149.9	1.4	13.3	19.4	25.8	54.9	41.8	0.0	58.2
2 Horticulture	2.3	3.5	2.1	1.4	0.6	149.9	18.5	8.3	34.4	12.2	53.4	2.8	23.4	73.8
3 Sugar (raw)	2.6	5.0	1.5	3.8	0.3	149.9	44.7	5.6	33.8	9.9	56.2	0.0	88.7	11.3
4 Rest of Agriculture	6.2	9.8	3.0	11.0	0.6	140.0	53.3	5.5	22.9	10.1	67.0	7.4	58.3	34.4
5 Livestock (incl. Fishing)	2.9	4.0	2.5	1.5	0.3	108.7	15.2	3.1	14.3	21.5	64.2	1.4	54.1	44.5
Agriculture	17.4	28.0	13.1	17.9	3.6	139.7	30.6	7.9	23.3	19.3	57.4	5.2	61.1	33.7
6 Meat Products	0.5	0.4	0.6	1.0	1.1	107.1	63.1	53.1	4.3	35.5	60.2	3.8	88.1	8.1
7 Dairy Products	1.0	1.1	1.3	0.1	1.0	144.9	2.0	23.2	20.1	62.6	17.3	72.4	0.0	27.6
8 Sugar (processed)	2.0	0.7	0.9	4.3	0.6	54.6	63.1	17.4	21.2	43.2	35.6	1.9	88.2	9.8
9 Other Food Products	2.3	0.7	2.9	2.1	4.0	86.8	27.8	39.5	22.8	35.3	41.8	14.3	56.8	28.8
10 Textiles	3.8	1.9	5.3	1.7	6.1	127.2	13.4	32.9	7.9	24.6	67.5	13.4	61.6	25.0
11 Apparel and Leather	3.7	1.6	1.5	10.2	2.4	90.7	81.6	45.9	9.7	18.5	71.8	4.6	74.0	21.4
12 Light Manufacturing	5.4	2.4	9.1	2.0	14.1	69.2	11.0	44.2	42.3	33.2	24.6	27.8	15.2	57.0
13 Min. and Metal Products	8.4	4.1	7.4	12.3	8.8	53.9	43.7	33.8	51.9	28.0	20.1	4.2	27.6	68.2
14 Vehicles	1.2	0.6	5.2	0.6	13.4	111.0	13.6	73.4	14.1	46.4	39.5	9.0	18.9	72.1
15 Other Manufacturing	6.3	3.0	12.0	2.2	21.3	73.3	10.3	50.9	24.5	47.8	27.7	11.1	48.1	40.8
Manufacturing	34.7	16.5	46.2	36.4	72.6	78.5	31.4	45.1	27.0	38.7	34.3	7.0	53.0	40.0
16 Energy	15.2	14.1	6.9	29.1	1.5	11.2	57.4	6.4	58.0	21.8	20.2	0.0	17.4	82.6
17 Mining	1.8	1.5	1.1	3.2	0.9	54.9	52.9	23.5	57.2	30.2	12.7	3.7	64.9	31.4
Energy and Mining	17.0	15.5	8.0	32.3	2.4	14.2	56.9	8.7	57.7	24.9	17.4	0.4	22.1	77.5
18 Services	30.9	39.9	32.7	13.5	21.4	121.5	13.0	18.7	0.8	45.1	54.1	1.2	34.6	64.2
Economy-wide	100.0	100.0	100.0	100.0	100.0	90.3	29.9	28.7	22.0	39.1	39.0	3.8	42.0	54.3

Analysis of columns 7 and 8 confirms what has already been mentioned about the R_SADC trade structure. Here it is possible to appreciate even more clearly its export specialisation reflecting its comparative advantage, and an import dependence that is highest in capital goods. Rest of SADC still appears to rely on a primary-manufactures division in its pattern of trade, whereas SACU reflects a slightly higher degree of integration into intra-industry trade.

The last six columns highlight another important difference, namely the much stronger dependency of R_SADC region on imports from SACU. On average Rest of SADC relies on SACU for 22% of all its imports, but the share is not uniform and varies across sectors. R_SADC dependence on EU trade is quite similar to SACU, with average values of around 40% for exports and imports.

The next step is to assess the levels of protection. Table 8.3 contains the basic data on trade protection which have been used in the model base-run presented here. These were calculated directly from the model and originally derived from official national sources.[20] The first three columns display SACU ad valorem tariff rates applied to imports from the EU, the Rest of the world and Rest of SADC. The next three columns show the R_SADC tariff rates. The next two columns give the percentage share of tariff revenues derived from each sector. These shares are similar in the two countries, but tariff revenue relative to total government revenues is very different.

[20] The different rates for different trading partners can be the result either of different applied rates on different partners or of a different composition of imports with different partners (even within a sector).

Table 8.3 Ad valorem estimates for SACU – Rest of SADC import protection 1995 (percentages)

	Implicit SACU Tariff rates			Implicit R_SADC Tariff rates			Share of Tariff Revenue	
	R_SADC	EU	Row	R_SADC	EU	Row	SACU	R_SADC
1 Cereals	-7.0	15.2	6.8	-7.5	13.0	10.8	1.2	2.0
2 Horticulture	18.6	8.4	8.7	10.5	12.5	9.1	0.3	0.9
3 Sugar (raw)	0.0	0.0	20.0	10.6	0.0	15.0	0.3	0.5
4 Rest of Agriculture	1.5	0.0	1.0	7.5	12.3	11.2	0.2	0.9
5 Livestock (incl. Fishing)	0.0	0.0	0.0	0.0	7.2	3.7	0.0	0.2
Agriculture	1.6	6.7	4.5	1.8	11.8	10.3	2.1	4.4
6 Meat Products	34.4	33.5	33.4	35.1	33.5	33.4	5.3	5.2
7 Dairy Products	0.0	7.3	7.3	7.3	7.3	7.3	0.1	1.1
8 Sugar (processed)	0.0	0.0	0.0	10.6	13.3	9.6	0.0	0.9
9 Other Food Products	7.9	4.4	4.1	10.5	12.8	9.0	2.0	6.1
10 Textiles	10.2	8.2	15.1	25.4	17.0	17.4	6.1	15.6
11 Apparel and Leather	23.0	15.2	26.8	26.9	15.7	16.2	8.7	5.8
12 Light Manufacturing	12.0	2.8	6.2	5.2	10.1	7.6	10.9	14.9
13 Mineral and Metal Products	8.6	5.6	8.8	6.6	13.2	11.4	6.7	11.8
14 Vehicles	18.1	18.9	23.4	7.4	7.9	10.4	37.3	16.9
15 Other Manufacturing	6.7	2.9	5.1	2.5	5.4	6.7	20.4	15.4
Manufacturing	12.0	5.7	10.6	6.1	9.1	11.3	97.6	93.5
16 Energy	0.0	0.4	0.1	5.7	7.1	6.5	0.2	1.3
17 Mining	3.5	0.0	0.8	0.0	12.1	8.7	0.1	0.6
Energy and Mining	3.1	0.3	0.2	3.6	9.3	7.1	0.3	1.9
18 Services	0.0	0.0	0.0	0.0	0.0	0.1	0.0	0.1
Economy-wide	8.6	4.3	6.9	5.8	6.9	7.8	100.0	100.0
% of Tot Governmt. Revenues							8.1	20.5

R_SADC tariff revenues, in the base year, represented more than 20% of total fiscal receipts; in SACU, they were 8%. In order to avoid budget problems, any reduction associated with trade policy reform has to be offset by compensating measures.[21] This same problem, to a lesser degree, may affect SACU where trade taxes represent 8 per cent of its government tax income.

It should be noticed that, for lack of reliable data, non-tariff barriers (NTBs) are not included.

Model simulations and results

In this section, we consider the results of running different scenarios for future SADC trade policy. In all scenarios we assume that the EU and SACU have removed tariffs on their trade.[22]

We have run four main scenarios. The first one is a unilateral complete liberalisation (U.Lib) of trade by the SADC region as a whole. That means reducing to zero tariffs for all sectors and for all trading partners.

Second is completion of the SADC FTA, called '2015', because of SADC's firm commitment to this. We take 2015 for all comparisons because it is the earliest date at which all the negotiations could be fully implemented.

[21] In the model, our closure rule requires a fixed government deficit (or surplus), so that household income taxes are increased to offset exactly the decreasing tariff revenues.

[22] This is done by artificially increasing demand for imports.

The third is the case where SACU, Rest of SADC and the EU form a free trade area, called the REPA scenario.

Finally is a 'WTO' scenario where all countries reduce all tariffs by half. This case, unlike U. Lib., is not a policy option under full control of SADC policy makers. It represents (see section 5.2) a plausible outcome of a Millennium Round.

With the model in comparative statics mode, each of the four scenarios was calculated under two different assumptions for labour markets. In both, labour is fully mobile across sectors. With the first, it is assumed that aggregate labour is in excess supply, thus the domestic economy-wide wage is fixed, and aggregate employment adjusts to meet demand, called 'Flat labour supply', in Tables 8.4, 8.5 and 8.6. Full employment (called 'vertical') is the alternative assumption, so demand increases will only affect wage rates. Clearly these represent extreme cases and the resulting estimates of the policy effect should be treated as bounds within which more realistic values will lie. The capital stock is held fixed throughout these static simulations.

In the context of trade liberalisation, aggregate results are relatively easy to predict. The removal of import distortions through enhanced opportunity to follow comparative advantage and expanded trade promotes greater efficiency and increases welfare. The implications of the structural adjustments which the economies undergo are more uncertain. Given that trade policy reform usually creates winners and losers, it is important both for development strategies and for judging sustainability in the long term to examine detailed information on the possible sectoral outcomes. This will be discussed, with country estimates, in section 8.4.

Assumptions on the adjustment mechanism in the labour market, the closure rule of the government budget, and trade elasticities are the main factors affecting aggregate results, and especially welfare effects. In order to appreciate their influence, we present aggregate results under different combinations of these assumptions.

If we assume fixed full employment (the case of a vertical labour supply function), the benefits of a more liberal trade regime are not reflected in employment changes, but only in more efficient reallocations of the existing labour force and wage rises. With the hypothesis of a perfectly elastic labour supply (flat), these reallocations are enhanced through employment increases and this has beneficial effects on consumer welfare.

Trade elasticities affect aggregate results by inducing stronger or weaker terms of trade changes. Two limiting cases are considered. In the first high elasticities of substitution in import demand are assumed. This is equivalent to a reduction in Rest of SADC's exporters' market power in SACU (or that of SACU exporters in Rest of SADC). As expected, this case registers lower terms of trade effects. When low trade elasticities are used, the implicit exporters market power produces stronger changes in the bilateral terms of trade.

Table 8.4, with a fixed government budget and high trade elasticities, probably represents the most plausible scenario. This table's results are discussed first and then compared with Table 8.5 (low trade elasticity) and Table 8.6 (government deficit allowed to rise).

Table 8.4: Comparative statics - aggregate results (% difference from base run) – High Trade Elasticities – Fixed Government Savings

	Flat								Vertical							
	U Lib		2015		REPA		WTO		U Lib		2015		REPA		WTO	
	SACU	R_SADC	SACU	R_SADC	SACU	R_SADC	SACU	R_SADC	SACU	R_SADC	SACU	R_SADC	SACU	R_SADC	SACU	R_SADC
Welfare	0.42	4.52	0.51	-0.05	0.41	1.64	1.39	2.42	-0.19	0.60	0.15	-0.49	0.06	-0.22	0.84	1.65
Real GDP	0.58	4.90	0.36	0.58	0.34	2.43	0.54	1.02	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Employment	0.96	10.32	0.60	1.21	0.56	5.13	0.89	2.15	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Real wage	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	2.48	12.10	1.59	1.15	1.48	4.94	2.37	1.99
Return to capital	3.10	11.63	2.15	1.07	1.99	5.36	3.36	6.57	-0.07	1.59	0.12	0.30	0.10	1.75	0.33	5.20
CPI	-2.32	-1.43	-0.69	-0.31	-0.77	-1.71	-0.33	-0.87	-1.98	-0.81	-0.48	-0.11	-0.57	-1.14	-0.03	-0.58
Real Exchge Rate	-0.20	5.11	0.42	0.41	0.31	1.92	1.11	3.00	0.28	6.19	0.73	0.65	0.59	2.72	1.55	3.40
Total M (value)	10.21	30.53	6.00	1.96	5.82	11.14	7.31	8.49	9.88	21.51	5.83	1.60	5.62	8.44	7.02	7.51
Total Ex (value)	9.86	30.01	5.12	2.54	5.08	11.11	5.54	7.08	9.58	21.04	4.94	2.18	4.90	8.39	5.25	6.07
SADC M (value)	27.07	3.65	36.58	19.95	45.99	7.08	9.70	-2.85	21.45	-0.97	35.28	19.35	40.91	5.08	7.86	-3.65
SADC Ex (value)	3.65	27.07	19.95	36.58	7.08	45.99	-2.85	9.70	-0.97	21.45	19.35	35.28	5.08	40.91	-3.65	7.86
Import Diversion	7.50	11.36	15.05	7.57	15.10	20.59	3.55	4.98	7.43	9.77	15.06	7.49	15.09	20.62	3.44	4.90
Export Diversion	11.25	30.61	10.25	3.86	10.17	13.33	1.67	0.70	12.12	16.76	10.67	2.64	10.60	6.11	1.95	3.90
Terms of Trade	1.27	-0.22	1.42	-0.64	1.29	-0.24	2.38	1.10	1.20	-0.08	1.42	-0.63	1.25	-0.17	2.37	1.17
Export price index	1.25	-0.05	1.49	0.18	1.33	0.12	2.39	1.29	1.20	0.00	1.49	0.19	1.31	0.15	2.38	1.34
Import price index	-0.02	0.17	0.07	0.83	0.05	0.36	0.01	0.18	0.00	0.08	0.07	0.82	0.06	0.32	0.01	0.18
Gov Budget (nominal)																
Household Dir Tax Rev	23.50	334.03	11.74	62.78	12.03	199.43	9.11	113.10	26.73	302.00	13.74	59.98	13.90	186.79	12.08	108.04
Ind. Tax Revenues	-5.30	-36.72	-0.84	-5.84	-1.25	-25.02	0.05	7.38	-6.30	0.19	-1.38	0.50	-1.79	-1.38	-0.75	18.25
Tariff Rev	-22.80	-282.02	-12.08	-57.68	-12.17	-180.65	-9.34	-118.47	-22.80	-282.02	-12.11	-59.09	-12.17	-185.93	-9.43	-121.13
Exp. Subsid. Expend.	0.00	0.00	0.00	2.00	0.00	1.00	0.00	3.00	0.00	9.00	0.00	12.00	0.00	11.00	0.00	13.00
Gov Expend on goods	4.80	-20.27	0.76	0.35	1.08	4.41	-0.93	-4.96	2.08	-24.98	-0.98	-1.77	-0.52	-1.34	-3.45	-8.08
Gov Transfers	0.00	0.00	2.00	2.00	1.00	1.00	3.00	3.00	9.00	9.00	12.00	12.00	11.00	11.00	13.00	13.00
Surplus/Deficit	-0.20	5.11	0.42	0.41	0.31	1.91	1.11	3.00	0.28	6.19	0.73	0.65	0.59	2.72	1.55	3.40

Welfare effects are influenced by the degree of liberalisation. In the case of Rest of SADC a direct relationship unambiguously appears: the more liberal the trade regime, the higher the welfare gains. In fact maximum welfare gains are recorded for U. Lib., the free trade case, then for the WTO scenario, whereas regional agreements are less welfare improving, with a REPA the worst case. This last result is fully consistent with the initial situation (shown in Table 8.2 and Table 8.3) where Rest of SADC dependence on European import supplies and tariff protection against them are quite high. For SACU, which is less dependent on regional trade, the best solution seems to be a multilateral WTO type of agreement.[23] The welfare effect depends mainly on two factors. Firstly, trade diversion which may drive up import prices worsening a country terms of trade[24] and lowering welfare gains. Secondly, welfare may be lower because of the effect of higher taxes on households.

Real GDP grows significantly only in the case of expandable employment (the first 8 columns); this explains the higher welfare gains recorded with this assumption. It should be noticed that, for Rest of SADC, the strong employment effects of unilateral liberalisation drive up the welfare gains, but that when we abstract from these effects, as in the vertical labour supply case, the WTO scenario becomes the best in terms of welfare effects. In the case of fixed resources (fixed capital stock and vertical labour supply) GDP variations are, as expected nil.[25]

Factor price variations are again dependent on the assumption made for the labour markets. With excess labour supply, nominal wages vary by the same amount of the consumer price index (so that real wages remain unchanged), whereas the return to capital responds to variations in capital productivity. In the case of full employment, increased labour demand depends on the pattern of structural adjustment in the economy and factor intensities in the various sectors. Wages and capital return changes are then interpreted from the Stolper-Samuelson theorem and will be examined again in the detailed results section below.

Removing import protection induces real exchange rate[26] and domestic price depreciation. Cheaper imports compete with domestic goods and exert downward pressure on the consumer price index (CPI). The real exchange rate, or the domestic resource cost, must depreciate to align domestic and international resource costs.

For both SACU and Rest of SADC trade increases in all the simulations. It is possible to consider separately changes in total trade and in regional trade. A clear picture of the

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23 This is also a direct consequence of increased ROW's demand for SACU exports; this effect is absent in scenario 1.

24 It should be reiterated that SACU - Rest of SADC bilateral trade prices are endogenous. When Rest of SADC increases its import demand of SACU goods, because of a tariff reduction, SACU exporters can respond by increasing their supply, but they have to compete for resource use in the domestic and other international markets. This competition results in higher SACU export prices, which may worsen Rest of SADC terms of trade. Besides, as already noted, EU increased demand also affects (favourably) SADC export prices and terms of trade.

25 The model specification could accommodate inter-sectoral labour productivity differences, which can be calibrated into a fixed wage distribution. Then, reallocating labour could lower aggregate productivity per unit of resource cost, especially if labour is induced to migrate from lower to higher wage categories. To do so labour supply data are required, and these were not available.

26 This is defined as the aggregate value added price index, i.e. it measures domestic resource cost.

trade diversion effects following the various policies is provided by the indices of import and export diversion.

These indices are defined as the excess of any shifts in trade with the partner (or partners) to which trade is preferentially liberalised over the average change in trade, to measure the percent of imports or exports diverted from one market to another.

For SACU, the interpretation of these indices is straightforward. Trade diversion, slightly stronger for exports than imports, is reduced according to the degree of liberalisation. The lowest level is reached with a fully free trade regime or with a WTO scenario, where only about 7.50 per cent and 3.55 per cent of imports are diverted. This residual diversion, puzzling in a completely unrestricted trade regime, is attributable to price effects in the region.

For rest of SADC, the policy-induced trade diversion effects are a bit more complicated to disentangle, with strong price effects from regional import liberalisation. In the case of complete free trade a large proportion of imports and exports are 'undiverted' from the EU to the ROW region.[27]

Table 8.5 assumes low trade elasticities. This is equivalent to assuming that SACU and Rest of SADC exporters have some market power in the SADC region. With lower regional import demand elasticities, exporters can increase their prices within the region, without triggering substitution for exports from other sources. From this it follows that terms of trade effects may be stronger and policy-induced trade diversion is lower. With this low elasticity specification, welfare gains from trade liberalisation are severely reduced, especially for Rest of SADC, which, by being more dependent on bilateral trade with SACU, suffers more intense import price inflation. The remaining results (GDP, employment, and factor prices) do not differ qualitatively between tables 8.4 and 8.5.

[27] This effect is not visible in the aggregate tables but it is recorded in the sectoral results tables that follow. We use the term 'undiverted' and not 'diverted' because in the case of free trade no preferences are accorded to any particular region. The increase in the ROW region trade shares is a correction of initial distortions.

Table 8.5: Comparative statics - aggregate results (% difference from base run) – Low Trade Elasticities – Fixed Government Savings

	Flat								Vertical							
	U Lib		2015		REPA		WTO		U Lib		2015		REPA		WTO	
	SACU	R_SADC	SACU	R_SADC	SACU	R_SADC	SACU	R_SADC	SACU	R_SADC	SACU	R_SADC	SACU	R_SADC	SACU	R_SADC
Welfare	0.49	2.62	0.60	0.10	0.61	0.77	1.34	2.06	-0.16	-0.02	0.29	-0.24	0.28	-0.27	0.81	1.49
Real GDP	0.59	3.78	0.31	0.49	0.31	1.50	0.52	0.80	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Employment	0.97	7.97	0.50	1.02	0.51	3.16	0.85	1.69	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Real wage	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	2.49	9.30	1.37	1.06	1.35	3.30	2.31	1.75
Return to capital	3.23	9.02	1.94	1.10	1.95	3.97	3.34	6.34	-0.04	2.16	0.21	0.42	0.20	1.82	0.40	5.20
CPI	-2.31	-2.30	-0.49	-0.38	-0.52	-1.79	-0.34	-0.97	-1.97	-1.54	-0.30	-0.19	-0.33	-1.29	-0.04	-0.68
Real Exchge Rate	-0.15	3.43	0.46	0.40	0.45	1.20	1.10	2.84	0.30	4.82	0.73	0.63	0.70	1.91	1.54	3.24
Total M (value)	10.36	20.99	4.86	1.61	4.91	5.97	7.27	7.27	9.90	16.08	4.72	1.39	4.72	5.09	6.99	6.76
Total Ex (value)	9.87	21.41	4.09	1.93	4.11	6.27	5.53	5.94	9.55	16.17	3.94	1.70	3.95	5.28	5.26	5.39
Afr M (value)	18.79	12.97	13.34	7.87	14.91	7.55	9.87	5.30	16.39	8.79	12.86	7.53	13.74	6.43	9.04	4.72
Afr Ex (value)	12.97	18.79	7.87	13.34	7.55	14.91	5.30	9.87	8.79	16.39	7.53	12.86	6.43	13.74	4.72	9.04
Import Diversion	2.39	5.79	3.23	2.57	3.22	3.78	1.11	1.46	2.25	4.91	3.29	2.52	3.28	3.89	1.00	1.42
Export Diversion	4.19	22.91	3.06	2.50	3.07	7.17	1.43	1.70	5.11	12.20	3.44	1.30	3.47	3.07	0.87	0.55
Terms of Trade	1.41	-0.82	1.22	-0.37	1.25	-0.44	2.36	1.07	1.24	-0.45	1.21	-0.35	1.21	-0.32	2.33	1.13
Export price index	1.33	-0.19	1.27	0.13	1.26	0.03	2.36	1.26	1.22	-0.06	1.27	0.15	1.24	0.09	2.35	1.32
Import price index	-0.08	0.63	0.05	0.50	0.01	0.47	0.01	0.19	-0.02	0.39	0.05	0.51	0.03	0.41	0.02	0.19
Gov Budget (nominal)																
Household Dir Tax Rev	23.28	316.72	8.26	52.45	8.29	162.33	9.37	115.41	26.57	293.00	9.97	50.17	10.02	154.81	12.22	111.65
Ind. Tax Revenues	-4.98	-35.40	-0.75	-6.13	-0.84	-20.43	-0.11	7.86	-6.06	-3.20	-1.19	-0.68	-1.32	-4.47	-0.84	16.67
Tariff Rev	-22.80	-282.02	-8.29	-48.32	-8.28	-153.43	-9.45	-123.49	-22.80	-282.02	-8.34	-49.27	-8.33	-155.99	-9.54	-124.96
Exp. Subsid. Expend.	0.00	4.00	0.00	7.00	0.00	6.00	0.00	8.00	0.00	14.00	0.00	17.00	0.00	16.00	0.00	18.00
Gov Expend on goods	4.66	-3.03	0.32	1.56	0.38	10.19	-0.92	-2.73	1.99	-11.51	-1.16	-0.66	-1.06	4.31	-3.38	-6.19
Gov Transfers	4.00	4.00	7.00	7.00	6.00	6.00	8.00	8.00	14.00	14.00	17.00	17.00	16.00	16.00	18.00	18.00
Surplus/Deficit	-0.15	3.43	0.46	0.40	0.45	1.20	1.10	2.84	0.30	4.82	0.73	0.63	0.70	1.91	1.54	3.24

Table 8.6 relaxes the assumption that other taxes will be increased to offset loss of tariff revenue. The last seven rows show per cent changes in the government's budget variables.[28] We have assumed in tables 8.4 and 8.5 that the compensating increase is in direct taxes on households. Obviously governments could choose to finance their revenue losses through increases in other indirect taxes. But to analyse that we would have to introduce new distortions in the economy, for instance through increased production or sales taxes, and we would have to study the interaction of removing one distortion (tariffs) with the addition of a new one. That is beyond the scope of the current analysis (see CREFSA, 1998).

Table 8.6: Comparative statics - aggregate results (% difference from base run) – High Trade Elasticities – Endogenous Government Savings

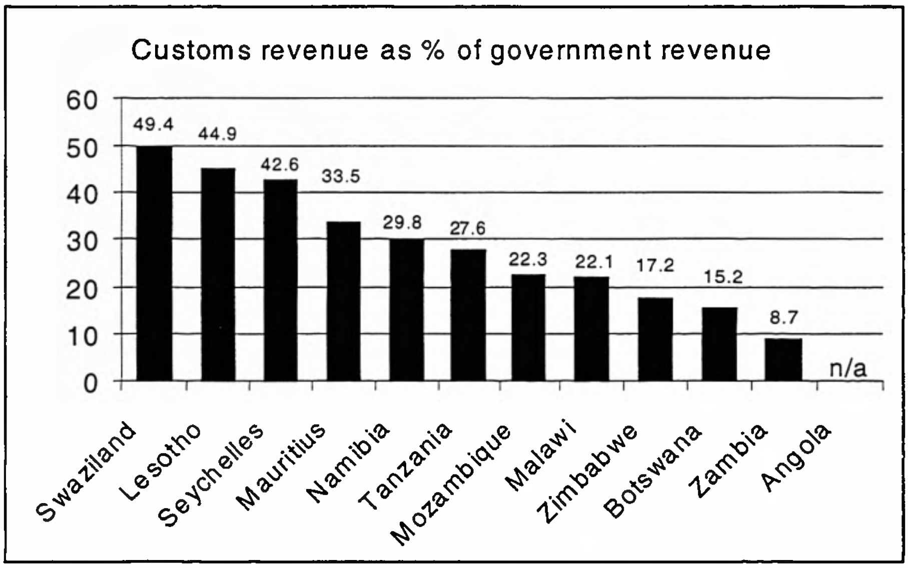
	U Lib		2015		REPA		WTO	
	SACU	R_SADC	SACU	R_SADC	SACU	R_SADC	SACU	R_SADC
Welfare	2.12	11.51	1.23	5.88	1.30	1.29	1.90	4.82
Real GDP	0.59	5.02	0.35	2.55	0.37	0.63	0.54	1.10
Employment	0.98	10.59	0.57	5.38	0.61	1.33	0.89	2.32
Real wage	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Return to capital	3.11	11.69	2.00	5.41	2.15	1.09	3.36	6.61
CPI	-2.30	0.00	-0.76	0.00	-0.68	0.00	-0.33	0.00
Real Exchge Rate	-0.19	5.15	0.32	1.97	0.43	0.43	1.12	3.03
Total M (value)	9.94	29.60	5.70	10.73	5.88	1.87	7.23	8.30
Total Ex (value)	9.57	29.09	4.94	10.71	4.99	2.45	5.46	6.90
Afr M (value)	27.32	3.04	46.06	6.76	36.77	19.82	9.77	-3.03
Afr Ex (value)	3.04	27.32	6.76	46.06	19.82	36.77	-3.03	9.77
Import Diversion	7.62	11.48	15.04	20.43	14.99	7.56	3.59	5.02
Export Diversion	11.31	30.52	10.20	13.47	10.28	3.97	1.69	0.55
Terms of Trade	1.27	-0.21	1.29	-0.24	1.42	-0.64	2.38	1.10
Export price index	1.25	-0.05	1.33	0.12	1.49	0.18	2.39	1.28
Import price index	-0.02	0.17	0.05	0.36	0.07	0.83	0.01	0.18
Gov Budget (nominal)								
Household Dir Tax Rev	0.51	1.58	0.85	0.69	1.01	0.16	2.11	0.63
Ind. Tax Revenues	-5.78	-42.15	-1.48	-28.89	-1.04	-7.21	-0.09	5.27
Tariff Rev	-23.04	-285.21	-12.30	-182.58	-12.22	-58.17	-9.44	-119.66
Exp. Subsid. Expend.	0.00	19.00	0.00	21.00	0.00	22.00	0.00	23.00
Gov Expend on goods	4.80	-20.96	1.06	3.77	0.73	0.05	-0.96	-5.45
Gov Transfers	19.00	19.00	21.00	21.00	22.00	22.00	23.00	23.00
Surplus/Deficit	23.51	346.63	11.87	206.96	11.50	65.16	8.37	119.17

The last row (in all the three tables) records changes in the government's nominal surplus or deficit with respect to the base run. Given the fixed real deficit assumption, in tables 8.4 and 8.5, the values in this row measure only the change in the government price index. There is no change in the real value, because when tariff revenues are reduced, household direct taxes are increased. Clearly this affects households' welfare. The amount of the increase relative to existing household taxation will depend on the share of tariffs in total revenue (discussed below), but also on the existing share of direct taxation. (Tables 8.4 and 8.5 show only the ratio to the governmental deficit, to permit direct comparison to the tariff loss or the deficit rise.)

28 These changes are expressed as percentage variations with respect to the base year government savings, not to their own value in the base year.

Contrast this with the results in Table 8.6. Here, with endogenous government savings, household taxes do not rise to compensate any revenue losses, which instead directly affect the government's budget. The rest of SADC government sector loses significant revenues (about 20% of total initial revenues are tariff generated, see table 8.3), and even SACU loses about 8%. Private agents' welfare is therefore not directly affected, and welfare effects are now higher. All other results, as expected, do not change significantly. This assumption, however, is clearly unsustainable because SADC countries do not have scope for massive increases in government borrowing. As shown in Figure 8.1, the level of dependence on customs revenues varies substantially across SADC members. Smaller countries depend on customs for between one third and one half of government revenues (Swaziland, Lesotho, Seychelles, Mauritius). But for all, some increase in other taxes would be necessary so tables 8.4 and 8.5 are more realistic estimates of the welfare effects.

Figure 8.1



Note: data for 1996/7 (Namibia), 1995/6 (Botswana, Lesotho, Swaziland), 1996 (Malawi, Mauritius, Mozambique, Seychelles, Zambia, Zimbabwe), 1994/5 (Tanzania).
Source: Imani, 1998.

8.3 Comparison to other studies

Study of SADC for EC (Imani 1998)

This gives full detail of exports and imports of SADC countries by market and product, and in particular its appendices provide detail on which products are important in imports from the EU. It is therefore a basis for disaggregating further the sectoral effects which we identify in section 8.4.[29]

The comparison which it made was between no agreement with the EU (and thus no change in access for the Least Developed SADC members and a reduction to GSP for the rest) and a

[29] Perhaps the most important area of agreement between our study and the Imani study is its comment (p. 99): 'The discussion of the different situations at the beginning of an EU-SADC FTA makes it clear that defining the alternative to an EU-SADC FTA is not simple, and projecting a likely alternative scenario becomes increasingly difficult and unrealistic over the course of the 17 year projection to 2015.'

REPA. As in our results, it found significant loss of revenue, especially for the Seychelles, Mauritius, and Tanzania, but it should be remembered that (like our model) it was constrained by the lack of data for indirect imports from the EU by the SACU countries and the absence of a direct relationship between their imports and their share of the SACU revenue pool. Like us, it found very small welfare gains, and a risk of large trade diversion losses. It did assume that cumulation would be possible, and therefore that countries could benefit from joint production with South Africa (with the other SADC countries supplying lower cost labour). The more restrictive rules of origin which have since appeared in the EU-South Africa agreement may make this less easy. There were (by assumption) no gains in access for the least developed. Taking these base cases, Lomé for the least developed and GSP for the developing, all the least developed countries and the Seychelles would lose from a REPA, because of the effects of loss of tax revenue and increased competition in their own markets and in other SADC countries. For the others, the benefits in a REPA of not losing access would outweigh these effects, and the most important gains among the developing were for Mauritius (the result of the sugar protocol) and Zimbabwe. These seem consistent with our results.

Table 8.7: Summary of Revenue Losses and Value of Access (US$ mn)

Country	Loss of Revenue	Revenue Loss % Govt. Revenue	Value of Access-Base case	Value of Access-REPA	Added value of REPA
Angola	89.0	3.7	12.8	12.8	0
Botswana	18.3	1.0	5.8	19.2	13.4
Lesotho	1.9	0.4	1.5	1.5	0
Malawi	5.3	1.4	30.6	30.6	0
Mauritius	74.4	9.3	42.5	121.7	79.2
Mozambique	12.5	5.2	11.3	11.3	0
Namibia	9.2	0.8	15.4	41.1	25.7
Seychelles	16.1	29.7	1.4	3.9	2.5
Swaziland	1.7	0.4	7.2	21.8	14.6
Tanzania	53.9	8.2	18.3	18.3	0
Zambia	14.2	2.0	8.6	8.6	0
Zimbabwe	70.2	3.1	41.1	92.2	51.1

Source: Imani, 1998

Table 8.8: Welfare Gains and Losses (US$ mn)

Country	Trade Creation Net Consumption Gain	Trade Creation % GDP	Trade Diversion Loss	Trade Diversion Loss % GDP
Angola	3.7	0.02	50.4	0.3
Botswana	0	-	18.3	0.4
Lesotho	0	-	1.7	0.2
Malawi	0	-	5.3	0.3
Mauritius	0	-	74.4	1.7
Mozambique	0.2	0.01	7.5	0.4
Namibia	0.3	0.01	4.6	0.1
Seychelles	2.2	0.4	9.9	2.0
Swaziland	0	-	1.5	0.1
Tanzania	2.8	0.1	24.7	0.8
Zambia	0.5	0.05	6.3	0.3
Zimbabwe	0.2	0.004	68.8	0.9

Source: Imani, 1998.

Study of EAC for EC

The results of this for Tanzania were not dissimilar to the Imani study: it found a very large reduction in tariff revenue, and a large welfare gain from the increase in imports. It did not find any loss of exports to the rest of the region because Tanzanian exports do not compete directly with EU exports, and, like the Imani study, found no loss of access because Tanzania is Least-Developed.

CREFSA Study (1998)

The (London-based) Centre for Research into Economics and Finance in Southern Africa did a study of the fiscal implications of SADC which is also relevant to the results of reducing tariffs to the EU. It recommended for most of the countries appropriate tax strategies to broaden the base and replace tariff revenue. We have not, therefore. considered tax policy, but it should be pointed out that for countries like Malawi, Zimbabwe, and Mauritius, where the estimated increase in sales tax required was already very high, adding the loss of EU tariffs could put a strain on taxation systems, if this occurred at the same time.

ACP (1999)

The ACP analysed the impact of Lomé preferences, compared to MFN or GSP. It also found that the principal effects were from the protocols and the exemption from the MFA, both of which could be eroded, by more rigorous enforcement of WTO rules and by the phasing out of the MFA. Under WTO rules, the protocols are only legitimate if they apply to 'substantial suppliers': Mauritius would meet this criterion for sugar but other sugar producers and the beef producers would have difficulty. It found that Uruguay Round tariff changes had already eroded tariffs such that the margin by 2000 would be only 2.9% relative to MFN and 2% relative to GSP. 'Thus, the total value of the EC market access arrangements will no longer give significant advantages to exports from ACP countries. It should, however, be noted that for certain sectors, in particular agricultural products, textiles and footwear [*sic*, but perhaps should be clothing], the preferential margin will remain significant.' (p. 6). 'SADC enjoys the highest preferential margin (4.4% [relative to MFN]), followed by the EAC (4.3%)' (p. 7), and benefits disproportionately from the protocols. Among the countries with the largest preferential margins were the Seychelles (21%), Botswana (6.3%), Namibia (5.5%), Mauritius (5.2%), and Zimbabwe (5.1%) (all excluding the value of protocols). It found, however, that the benefits had not (with a few exceptions including Mauritius and Zimbabwe) led to significant diversification of production and exports, the ostensible purpose of the trade preferences, even in sectors where margins of preference were significant. These observations support our results that the aggregate effects of a change are small, but that there are important sectoral effects. The value of the preferences must be considered with the Stevens results (chapter 3, section on GSP) which found that an improved GSP would remove much of the preference relative to other developing countries. They also suggest that it is countries' response to trade incentives which varies most, and which determines their success, not the value of the incentives.

IDS, BIDPA (1998)

Two studies (the other is Imani 1997) have been done for the other SACU countries of the effect of an EU-South Africa agreement on them. Both effectively assume that this would mean opening the BLNS countries to the EU as well, so there are many parallels with the effects of a

SADC opening to the EU. A difference at the technical level is the way in which the SACU customs pool operates, which means that the way in which tariff-loss effects are transmitted to the member countries is not direct (as it would be for the other SADC countries), but this does not affect the magnitude of the total effect. The SACU countries have a CET and effectively no possibility of border controls, so the trade policy is necessarily the same, but this is what we have assumed would be chosen in the SADC case.

Both studies found that the principal effect was the fiscal loss from the loss of tariffs on EU goods, and that the effect was on the whole negative. The tax revenue effect (especially in Lesotho, Namibia and Swaziland) was so great that the IDS, BIDPA study did not consider it feasible to raise other taxes sufficiently to balance it. It found some specific commodity effects (on manufactures and processed foods). It also mentioned the possible problems caused by different rules of origin and more restrictive cumulation which 'act against the primary objective of a customs union' (p. vii) or of course an FTA.

Evans (1998)

This used a CGE model to estimate the effects of a SADC FTA. He found that although with low price elasticities for exports, full free trade was inferior to a SADC FTA (because of the loss of the ability to use tariffs to gain terms of trade effects), with high elasticities 'the case for FT [free trade] looks very strong' (p. 22). He argued against it because 'there may be a loss of regional co-operation'. He also argued that a CU would be better than either an FTA or full free trade: 'The trade diversion costs of the FTA with its unforceable rules of origin on the one hand, and FT with potential terms of trade costs and a blunting of the momentum already gained towards regional co-operation and hopefully deep integration, support the argument for an in-between CU solution.' (p. 22) In the EU-SADC case, there is not the same movement towards 'deep integration' so the arguments could be different.

8.4 Country-specific effects

Data and approach

Any move towards a preferential trading arrangement or greater liberalisation is bound to produce differential effects across sectors within an economy and hence across economies within a region. Even if a clear benefit for SACU or SADC can be demonstrated, this will not necessarily imply benefits for all interest groups and countries. It is sectoral results which influence the pattern and nature of development. There are also policy effects. In seeking to change trading arrangements, political alliances have to be formed and in this it is important to be aware of likely 'winners' and 'losers'. An attempt is made in this section to further disaggregate the results of the CGE model to identify the pattern of output that would result from each scenario and the producer groups and countries likely to align themselves with the different trading regimes under consideration. Table 8.9 shows sectoral information on real output and on imports and exports classified by partner for the REPA and WTO scenarios, for Rest of SADC. (The SACU results are not shown because the effect of liberalisation to the EU is already included in the base case, and this obscures the comparison.) Results are shown as percentage changes from the base.

The detailed numerical results (the comparative static implications of alternative trade regimes) are given for SACU and each of the 9 remaining SADC countries in Appendix 2.[30] The SITC2 trade data for the base year (1995) were supplied by the Industrial Development Corporation of South Africa, drawing on two primary data sources. For the SACU-rest of SADC data, the source is the South African Department of Customs, while the data for the remaining SADC countries are from the United Nations. As in any regional trade study, it has to be stressed at the outset that there are many problems with the data. The main reason for using data from these sources is that they were able to provide data for all of the required countries for the same base year. However, cross-checks with national data and comparisons between the two data sets reveal many anomalies.[31] Another problem is that, while the focus in this section is on the commodity and market-specific implications of alternative trading arrangements, in several cases there are large amounts of exports and imports which are in the residual 'unclassified' category.

Table 8.9: Sectoral results, Rest of SADC, Perfectly elastic labour supply (percentages)

	REPA							WTO						
	Output	Imports			Exports			Output	Imports			Exports		
		EU	ROW	SADC	EU	ROW	SADC		EU	ROW	SADC	EU	ROW	SADC
Cereals	-2	98	-15	-35	0	6	-30	-3	28	20	-26	0	12	-25
Horticulture	0	91	-16	31	-1	-1	87	0	28	16	6	-10	10	22
Sugar (raw)	0	-2	-2	44	-2	-2	0	-7	-15	36	5	-12	7	0
Rest of Agriculture	5	123	-1	29	4	4	7	0	31	27	2	-8	12	0
Livestock (incl. Fishing)	6	63	0	-5	5	5	0	2	25	11	-8	-7	14	-3
Meat Products	-12	189	-62	79	-13	-13	99	-21	20	20	6	-23	-7	13
Dairy Products	-2	31	-20	14	0	0	-9	-3	14	14	4	0	11	-10
Sugar (processed)	-6	69	-29	20	-7	-7	-3	-10	29	16	6	-14	5	-5
Other Food Products	-3	58	-32	23	-2	-2	29	-3	16	4	7	-7	13	6
Textiles	49	234	11	151	54	54	61	20	47	48	33	23	28	11
Apparel and Leather	147	119	-21	120	163	163	201	78	12	13	20	88	96	47
Light Manufacturing	-1	51	-23	3	-5	-5	46	-1	19	10	-3	-10	9	13
Mineral and Metal Products	-9	57	-34	1	-9	-9	21	0	21	15	-4	-8	12	4
Vehicles	-1	29	-24	6	3	3	48	-1	2	10	-8	-5	16	5
Other Manufacturing	-2	18	-18	-3	0	0	23	-1	6	10	-6	-5	15	6
Energy	-15	55	-4	18	-21	-21	-9	-6	30	28	7	-20	-3	-8
Mining	-11	58	-29	-17	-12	-12	8	-4	34	21	-11	-10	10	7
Services	3	3	3	0	4	4	1	2	4	4	-3	-6	14	-2

The approach in calculating the consequences of alternative trading regimes is to multiply the 1995 exports or imports for a specific commodity and market by the corresponding changes calculated by the CGE model for SACU or Rest of SADC, again disaggregated by market and sector, using the high trade elasticity, fixed government savings and flat labour supply assumptions. Further broad brush generalisations arise from associating the 18 sectors of the model with the 69 SITC2 commodity categories included in the country spreadsheets, and assuming, in the case of non-SACU countries, that the growth or decline calculated for regional

30 Appendix 2 gives total exports and imports by sector and a summary table for total trade by market for each country (SACU as one country). Tables are available giving full sectoral breakdown for exports and imports by market (SACU, rest of SADC, EU, ROW). The appropriate set will be sent to each country, but others are available on request.

31 The only amendment made on the basis of national data is the addition of gold exports for Zimbabwe (US$247 million in 1995, 12% of total merchandise exports and second only to tobacco). Zimbabwe's explosive exports (table A28) provide a good example of the sort of problem which arises. For 1995, ROW is calculated as a residual: ROW = Total – sum of specific destinations. So if total (from UN data) = zero, while there is a positive SACU value, ROW is negative in 1995. Thereafter, the element that is calculated is Total = sum of all destinations. So even though the contribution from ROW will remain negative, if export growth in other markets is large enough, the overall total is positive. So Zimbabwe exports leap from zero to positive values.

trade applies equally to SACU and to the rest of the SADC countries.

In each case, three scenarios are compared with the 1995 base figures, 2015, REPA and Unilateral Liberalisation.

The CGE model was also used to analyse the possibility of the Millennium Round producing an agreement in which all countries (including SADC countries) cut their existing MFN tariffs by 50% (WTO). This outcome is not under SADC's direct control, however, and thus does not constitute a choice for the countries in the way that the first three scenarios do. Although the final details of the SADC Trade Protocol (and the SA-EU FTA, included in the base 1995) may differ somewhat from the assumptions used in the modelling, the main elements of Base 2015 are clear and there is a commitment to them. The REPA and unilateral liberalisation scenarios are extensions, involving progressively greater degrees of import liberalisation. Some comments are made on the WTO Scenario at the end of this section.

The CGE model operates in terms of changes rather than absolute numbers. Given the data problems, no precision can be claimed for the values reported for exports and imports in the exercise in this section, but the guiding principle for the results reported for a particular country was to identify the commodities with significant changes induced by the new trading arrangements. The ordering of sectors in the country specific Tables 8.13-8.22 and in the full listings in Appendix 2 uses the changes calculated for each of the three scenarios.[32] The more developed countries or regions, particularly SACU, have more diversified trade structures, and there are thus more sectors where there are significant impacts. For economies where the export sector is dominated by one or two exports and imports by food and petroleum, the assessment of the different scenarios is largely determined by the changes in those few key sectors.

Summary of comparative static results

There are three main groups of countries to consider: SACU, the non-least developed members of the rest of SADC (not eligible for any unusual concessions in EU or multilateral negotiations) and the least developed in the rest of SADC (eligible for free access to developed country markets without having to make reciprocal concessions). Tables 8.10, 8.11 and 8.12 present summary data for the countries arranged according to this three-way grouping.

As shown in Table 8.10, all of the non-SACU SADC countries, except Seychelles and Zambia, have strong trading ties with the EU, either as exporters to Europe or importers from Europe or both. The most extreme case on the export side is Mauritius, with 88% of its exports going to the EU, and on the import side Angola, with 64% of its imports coming from the EU, followed by DRC and SACU both with nearly half their imports originating in the EU. As is evident from Table 8.11, under the REPA assumptions of 100% tariff reductions for SADC and EU exports to each other's markets, these strong trading ties generally result in significant growth of exports and imports for non-SACU SADC countries.

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[32] For example, Zimbabwe exports, appendix table A28, row 1: 25437 + 104025 + 290894 divided by 3 to find the average 140119, shown in $ million as 140 in column 1 of the table. A large average normally indicates consistently large effects. There are some commodities where the signs of the effects are different in different scenarios, giving individual large effects, but not necessarily a large average. But the results reported in this chapter are only intended as a summary; for full results, the appendix tables are essential. The 'large' effects (at the top of the tables) are thus a mixture of large export/import sectors with moderate percentage changes and sectors with moderate US$ trade values but a large percentage change.

Table 8.10: Exports and Imports by partner 1995 (percentages)

		SACU	SADC	EU	ROW
SACU					
SACU	Exp		10	28	62
	Imp		2	45	53
Non least-developed members of rest of SADC					
Mauritius	Exp	1	1	88	10
	Imp	9	0	40	50
Seychelles	Exp	1	1	12	86
	Imp	12	2	20	66
Zimbabwe	Exp	13	11	34	42
	Imp	49	2	27	22
Least-developed members of the rest of SADC					
Angola	Exp	0	0	22	78
	Imp	6	1	64	29
DRC	Exp	6	0	67	27
	Imp	18	1	46	36
Malawi	Exp	14	1	40	45
	Imp	47	13	22	17
Mozambique	Exp	12	2	38	48
	Imp	54	6	21	19
Tanzania	Exp	1	0	32	66
	Imp	14	1	36	49
Zambia	Exp	2	1	19	78
	Imp	40	11	22	26

Table 8.11: Growth in Exports and Imports and BOT

Country/Scenario		1995 ($m)	SADC	EU	ROW
			(percentages)		
SACU					
SACU	Exp	27909	5.6	5.7	11.6
	Imp	26506	7.0	6.8	12.7
	BOT	1404			
Non least-developed members of rest of SADC					
Mauritius	Exp	1541	17.3	88.3	262.9
	Imp	2022	0.5	22.7	76.1
	BOT	-481			
Seychelles	Exp	51	-1.8	-8.1	-20.3
	Imp	278	-0.1	-1.1	35.1
	BOT	-227			
Zimbabwe	Exp	2099	5.9	9.7	7.1
	Imp	2382	8.2	9.2	18.7
	BOT	-282			
Least-developed members of the rest of SADC					
Angola	Exp	3649	-5.1	-19.7	-42.3
	Imp	1767	-1.7	26.5	27.1
	BOT	1882			
DRC	Exp	1613	-0.2	-5.4	-26.3
	Imp	1078	1.3	27.0	49.8
	BOT	535			
Malawi	Exp	414	9.1	15.2	6.6
	Imp	388	8.6	8.1	15.1
	BOT	26			
Mozambique	Exp	261	2.4	3.6	-3.1
	Imp	934	10.1	10.6	17.8
	BOT	-673			
Tanzania	Exp	761	1.3	6.5	7.1
	Imp	1135	0.2	8.9	34.8
	BOT	-374			
Zambia	Exp	1224	-0.4	-2.9	-19.3
	Imp	888	5.9	4.0	14.4
	BOT	337			

These growth patterns tend to be magnified in the unilateral liberalisation scenario, where SADC countries open to imports not just from the EU but to all imports. However, there are exceptions to both of these general tendencies; where warranted, these are discussed on a case-by-case basis below. A more robust general rule is that the Base 2015 and REPA scenarios, which involve preferential trade within SADC and with the EU, clearly entail trade diversion, because under the unilateral liberalisation assumptions, SACU/SADC and EU trade shares are reduced while that of the rest of the world (ROW) increases. Table 8.12 illustrates the reduction in the EU share of imports between the REPA and unilateral liberalisation scenarios, the final share being close to the 1995 value in almost all cases. The share of the EU as a destination for SADC exports is also given in Table 8.12: in most cases the share is higher under unilateral liberalisation than the REPA scenario. On the basis of the trade shares reflected in Table 8.12 it would thus appear that the EU has a much stronger *a priori* interest in the REPA option than does SADC.

Table 8.12:EU Share of SADC Exports and Imports (percentages)

		1995	Base 2015	REPA	U Lib
SACU					
SACU	Exp	28	32	32	32
	Imp	45	54	54	41
Non least-developed members of rest of SADC					
Mauritius	Exp	88	88	90	92
	Imp	40	39	54	35
Seychelles	Exp	12	13	14	16
	Imp	20	20	29	19
Zimbabwe	Exp	34	33	35	40
	Imp	27	25	34	29
Least-developed members of the rest of SADC					
Angola	Exp	22	22	22	23
	Imp	64	63	76	64
DRC	Exp	67	66	67	68
	Imp	46	44	60	45
Malawi	Exp	40	37	36	37
	Imp	22	20	28	24
Mozambique	Exp	38	37	38	39
	Imp	21	18	27	23
Tanzania	Exp	32	33	35	38
	Imp	36	34	48	35
Zambia	Exp	19	19	20	22
	Imp	22	21	29	24

SACU

In all scenarios, SACU has rather open trading arrangements with the other SADC countries and the EU (under the SADC Trade Protocol, EU-South Africa or EU-SADC FTA or unilateral liberalisation). Aggregate exports and imports in the Base 2015 and REPA cases are similar, except that SACU exports to SADC are lower because SADC substitutes imports from the EU and ROW. Trade growth is significantly higher under unilateral liberalisation, with the additional exports going to the EU as well as ROW, while import growth is more from ROW than from SADC and the EU. This reverses the trade diversion of the other scenarios.

Table 8.13: SACU – Largest Sectoral Impacts

Category	SITC	Sector	1995 ($m)	2015	REPA (percentages)	U Lib
Export Growth	66	Non-metallic minerals	2504	13	14	18
	97	Gold, non-monetary	6344	-1	1	17
	67	Iron & steel	2776	7	5	8
	05	Vegetables & fruit	927	14	14	15
	32	Coal & coke	1607	7	8	9
	52	Inorganic chemicals	1013	10	10	13
	82	Furniture	383	22	23	26
	28	Metal ores & scrap	1340	0	2	18
	65	Textiles	193	42	44	44
	68	Non-ferrous metals	1228	5	5	9
	64	Paper	574	11	10	13
	33	Petroleum	577	7	8	12
	25	Pulp & waster paper	625	6	8	10
	84	Clothing	148	29	27	23
Export Decline	04	Cereals	254	-15	-19	-24
Import Growth	78	Road vehicles	2883	25	25	45
	01	Meat	196	81	80	113
	79	Other transport equipment	531	7	7	50
	72	Specialised machinery	1952	5	4	4
	66	Non-metallic minerals	650	15	14	9
	65	Textiles	747	5	4	20
	84	Clothing	140	33	43	74
	77	Electrical machinery	1841	3	3	5
	74	General machinery	1828	3	3	5
	04	Cereals	467	11	11	13
	69	Metal manufactures	605	5	5	16

As shown in Table 8.13, there are a large number of export-oriented SACU sectors which on average expand significantly, the most important being non-metallic minerals, gold, iron & steel and horticulture. Cereal imports increase and also show the only significant export decline. Road vehicles have the largest increases on the import side. According to the model results, the output of the SACU vehicle sector contracts by around 8%, with imports filling the gap mainly from Europe (in the REPA case) or from cheaper sources in ROW (in the unilateral liberalisation case). Other imports where rapid increases are projected are other transport equipment, meat, machinery of various kinds, non-metallic minerals, textiles and clothing.

Non-Least Developed members of rest of SADC[33]

In the category of non-least-developed members of the rest of SADC, there are three countries: Mauritius, Seychelles and Zimbabwe. The economy of the Seychelles is much smaller than the other two. The island's main commodity export is fish and fish products, although imports reduce net exports of fish. Another significant source of foreign currency revenues is the re-export of petroleum products. The CGE model has falls in output for petroleum products, giving rise to export falls across all scenarios for the Seychelles.[34] Under the REPA scenario, there is a substantial increase in imports from the EU (notably meat, fish, telecommunications equipment and clothing), but overall imports decline slightly. Under the unilateral liberalisation scenario, imports from the ROW increase sharply (petroleum, textiles, fish and clothing – see Table 8.14), giving a large increase in imports overall. European goods are shunned in favour of more economical options from the world market, for example, imports of meat from the EU are only 55% of the REPA levels ($4.5 million p.a.).[35] Seychelles is better off under unilateral liberalisation, but only if it can finance the higher balance of trade deficit.

Table 8.14: Seychelles – Largest Sectoral Impacts

Category	SITC	Sector	1995 ($m)	2015	REPA (percentages)	U Lib
Export Growth	03	Fish	21	2	5	5
Export Decline	33	Petroleum (re-exports)	25	-5	-21	-44
Import Growth	33	Petroleum	53	-1	-1	63
	65	Textiles	5	15	30	241
	03	Fish	6	3	57	72
	84	Clothing	4	14	29	65

For the two larger economies, the analysis suggests that the REPA option is attractive for both Mauritius and Zimbabwe relative to Base 2015, offering higher exports and imports and hence higher growth. Under unilateral liberalisation, in the case of Mauritius exports expand by 263% relative to 1995, while imports grow by 76%, but for Zimbabwe export growth at 7% is lower than the REPA scenario, while import growth doubles to 19% and the balance of trade deteriorates (Table 8.11). Zimbabwean export growth is lower under unilateral liberalisation partly because of the high initial share of SACU and SADC in its exports. Its exports therefore grow slowly as these markets shift to sourcing from global least cost sources. At the same time, the composition of Zimbabwe's ROW-oriented exports is such that growth is limited under unilateral liberalisation.

The sectoral impact for the two countries is shown in Tables 8.15 and 8.16. The most important

[33] The percentage changes in particular commodities can differ in the tables for different Rest of SADC countries although all were taken from the model. In that, Rest of SADC exports of each commodity are calculated separately for each of the four markets, SACU, Rest of SADC, EU and ROW. The figure for each country is weighted by its exports' division among those markets.

[34] The reason for declining petroleum export growth is discussed later, in relation to exports from Angola and DRC.

[35] In practice, Seychelles might well import meat from SADC producers, but because it presently does not do so, the methodology precludes this outcome under unilateral liberalisation.

export growth sectors are clothing and textiles (with leather and footwear also being important for Zimbabwe). Clothing exports require increased imports of raw materials, so textiles also appear as significant in respect of import growth. Both countries require higher levels of petroleum imports, plus cereals (Mauritius) and road vehicles, iron & steel and plastics (Zimbabwe). There is export decline in sugar for both countries, but particularly Mauritius, and in mineral-based products and cereals in the case of Zimbabwe.

Table 8.15: Mauritius – Largest Sectoral Impacts

Category	SITC	Sector	1995 ($m)	2015	REPA (percentages)	U Lib
Export Growth	84	Clothing	810	32	163	499
	65	Textiles	77	14	55	122
Export Decline	06	Sugar	375	-1	-2	-17
Import Growth	65	Textiles	453	7	64	245
	33	Petroleum	84	-0	2	61
	04	Cereals	64	-1	31	40

Table 8.16: Zimbabwe – Largest Sectoral Impacts

Category	SITC	Sector	1995 ($m)	2015	REPA (percentages)	U Lib
Export Growth	84	Clothing	62	41	167	466
	61	Leather	22	54	172	420
	65	Textiles	63	18	56	111
	85	Footwear	14	119	197	193
Export Decline	97	Gold	247	-2	-12	-41
	67	Ferrochrome	239	0	-6	-31
	04	Cereals	66	-29	-30	-42
	27	Crude materials	96	0	-10	-37
	68	Non-ferrous metals	100	-2	-8	-33
Import Growth	65	Textiles	107	46	86	218
	33	Petroleum	75	18	22	27
	78	Road vehicles	342	7	3	4
	67	Iron & steel	236	19	2	-4
	58	Plastics	80	5	9	22

Is a near tripling of clothing exports realistic under REPA assumptions or a sextupling under unilateral liberalisation, the main destination in both cases being Europe? The results cannot be taken at face value, as the assumptions of the models and other factors pertaining to clothing exports need to be taken into account. Duty-free access to Europe under the Lome Convention has certainly been an important factor in building up clothing exports in both countries in the past. This is particularly so for Mauritius, but with full employment being reached and wages rising, clothing production on the island in recent years has been curtailed, with some production being moved to other locations such as Madagascar. In Zimbabwe's case, despite the duty free access and a long-established clothing industry, entrepreneurs have not been sufficiently dynamic to increase clothing exports to Europe at anything like the rates achieved by their Mauritian counterparts. Foreign investors, important in creating an export-oriented clothing industry in Mauritius and elsewhere, have not been attracted to Zimbabwe. In future, there will also be more intense competition in the EU clothing market from countries hitherto quota-restricted as the MFA is dismantled. The implicit assumption of the model that there is unlimited excess capacity in Mauritius and Zimbabwe which could be utilised to meet demand for clothing in EU and that other traders will not change (only SACU and SADC trade is endogenous) is thus not justified.

Least developed members of rest of SADC

The six least developed members of the rest of SADC (Angola, DRC, Malawi, Mozambique, Tanzania and Zambia) face the dilemma of joining their neighbours in regional arrangements, such as the SADC Trade Protocol and the SADC-EU REPA, and in the process having to give reciprocal trade access, or taking advantage of duty free access to all developed country markets subscribing to the 1997 least developed programme. The CGE model runs do not precisely capture this dilemma in that there is no provision in any of the scenarios for the additional access that the least developed mechanism is intended to achieve. Whether the countries are rational in seeking to perpetuate asymmetrical liberalisation is a moot point, given the clear indication from the CGE model that unilateral liberalisation by SADC countries would be the first best of the options considered, offering the highest welfare and growth benefits. Even accepting that finding, however, there may be infant industry reasons for least developed countries to seek to make use of non-reciprocal access in order to become more diversified and competitive in international markets.

The analysis of expanding and contracting exports and imports by country is given in Tables 8.17 to 8.22. The general pattern for these countries is one of a high degree of primary commodity export concentration, with the outcome of the preferential arrangement or liberalisation being heavily dependent on whether exports of that particular commodity increase. In most cases, the primary export commodity has negative growth rates and there is a deterioration in export performance. Imports expand across the board – capital, intermediate and consumer goods. The balance of trade deteriorates across the REPA and unilateral liberalisation scenarios for all countries (except the REPA scenario for Malawi).

For Angola and, to a lesser extent, the DRC, any form of opening up appears unattractive because it involves a reduction in exports of oil and diamonds (Tables 8.17 and 8.18), thereby depressing the whole economy. Given that oil, in particular, is exported to the ROW rather than to SADC or EU countries, it is puzzling at first sight that the implementation of the preferential arrangements should result in a curtailment of exports. This result follows from the assumption in the CGE model of capital being flexible. The expansion of productive sectors is accommodated by capital moving out of energy, resulting in insufficient capacity in the petroleum sector to fully supply ROW exports. In the real world, Angolan or DRC productive capacity in the oil sector would not be reduced in this way, and maintenance of export revenues (rather than the 21% and 44% cuts in the REPA and unilateral liberalisation scenarios) would make the preferential or liberalisation options appear more attractive than the model indicates.

Table 8.17: Angola – Largest Sectoral Impacts

Category	SITC	Sector	1995 ($m)	2015	REPA (percentages)	U Lib
Export Growth	33	Petroleum	3368	-5	-21	-44
	66	Diamonds	162	-2	-8	-33
Import Growth	04	Cereals	119	0	61	47
	01	Meat	51	5	175	62
	65	Textiles	26	14	145	237

Table 8.18: DRC – Largest Sectoral Impacts

Category	SITC	Sector	1995 ($m)	2015	REPA (percentages)	U Lib
Export Growth	66	Diamonds	822	1	-6	-30
	33	Petroleum	152	-5	-21	-44
	68	Copper	214	-2	-8	-33
Import Growth	65	Textiles	97	12	76	241
	04	Cereals	100	-2	43	39
	01	Meat	25	-1	165	63

For Malawi, export growth rates are high for the Base 2015 (9%) and REPA scenarios (15%) – see Table 8.11. Part of this is due to spectacular increases in exports to SACU, for example 94% in the REPA scenario, the main item being a 200% increase in the largest item (clothing), with smaller growth rates in lesser exports (textiles and tobacco – total exports of which in the unilateral liberalisation scenario actually decrease). The very high growth rates for clothing (Table 8.19) arise from assuming unlimited capacity to increase exports and duty free access to the SACU market, whereas the reality within the SADC Trade Protocol may well be that South Africa seeks to curtail such rapid growth in imports through designating clothing as "sensitive". Export growth in the unilateral liberalisation scenario is lower (6.6%) because regional markets switch to lower priced sources of supply. Import growth for Malawi is also mainly from the region in the Base 2015 scenario, with declines in imports from the EU and the ROW. EU imports are far more significant in the REPA scenario, and remain important in the unilateral liberalisation scenario, where there is rapid growth in imports from ROW. The REPA scenario involves a significant improvement in Malawi's balance of trade, increased exports of coffee and tea, in addition to clothing, textiles and tobacco paying for higher imports.

Table 8.19: Malawi – Largest Sectoral Impacts

Category	SITC	Sector	1995 ($m)	2015	REPA (percentages)	U Lib
Export Growth	84	Clothing	23	121	198	185
	65	Textiles	16	27	58	84
Export Decline	12	Tobacco	264	0	1	-9
Import Growth	65	Textiles	15	68	86	204
Import Growth	04	Cereals	42	-17	-15	-13

For Mozambique, the alternatives on offer are not particularly attractive as the only significant export sector is the prawn industry, the expansion of which is limited by natural regeneration of prawn stocks. There are significant growth rates in textile and clothing exports, but from a very low base (Table 8.20). In the agricultural sector, sugar exports decline, but cereal production increases, allowing cereal imports to decline. Under the REPA assumptions, imports from the EU are projected to increase significantly (by 42%), this again involving trade diversion because the increase in EU imports is only 29% under the unilateral liberalisation scenario (Table 8.12).

Table 8.20: Mozambique Largest Sectoral Impacts

Category	SITC	Sector	1995 ($m)	2015	REPA (percentages)	U Lib
Export Growth	03	Prawns	88	1	4	5
	65	Textiles	3	11	55	132
	84	Clothing	1	95	188	276
Export Decline	06	Sugar	29	-1	-2	-17
Import Growth	33	Petroleum	105	17	19	28
	65	Textiles	15	56	112	211
Import Decline	04	Cereals	90	-10	-13	7

In the case of Tanzania (table 8.21), both the REPA and unilateral liberalisation scenarios involve significant increases in exports and imports. Export prospects are good in clothing, textiles and leather, while exports of non-ferrous metals decline, particularly in the unilateral liberalisation scenario. Expansion of clothing and textiles requires greater imports of textile fibres and finished textiles; clothing imports also increase, but overall there is growth in the clothing industry (net imports become net exports). As in Mauritius and Zimbabawe, this could be limited by the ending of the MFA. Imports from the EU grow particularly sharply under REPA assumptions at the expense of SADC and ROW: under unilateral liberalisation, EU and SADC trade diversion is removed and ROW exports grow significantly.

Table 8.21: Tanzania – Largest Sectoral Impacts

Category	SITC	Sector	1995 ($m)	2015	REPA (percentages)	U Lib
Export Growth	84	Clothing	15	32	163	496
	65	Textiles	22	11	55	130
	61	Leather	2	31	163	499
Export Decline	68	Non-ferrous metals	34	-2	-9	-33
Import Growth	65	Textiles	46	29	53	231
	26	Textile fibres	31	-1	87	99
	33	Petroleum	71	14	23	34
	84	Clothing	35	6	3	64
Import Decline	43	Animal oils & fats	29	-8	-30	10
	42	Vegetable oils & fats	25	-8	-30	10

Zambia's extreme export dependence on copper, which falls in all scenarios, makes all the scenarios unattractive. There is strong growth in textiles and leather, but from low bases (Table 8.22). Imports of textiles and clothing increase, while imports of cereals are reduced. The balance of trade remains positive in the Base 2015 and REPA scenarios, but the 19% decrease in exports coupled with a 14% increase in imports under unilateral liberalisation turns the balance of trade negative under unilateral liberalisation.

Table 8.22: Zambia – Largest Sectoral Impacts

Category	SITC	Sector	1995 ($m)	2015	REPA	U Lib
				(percentages)		
Export Growth	65	Textiles	36	12	55	129
	61	Leather	2	43	168	458
Export Decline	68	Copper	762	-2	-8	-33
Import Growth	65	Textiles	22	41	70	222
	84	Clothing	10	47	59	70
Import Decline	04	Cereals	54	-20	-12	-21

Conclusions

Despite the limitations of the data and the uniform application of the comparative static results to each of the members countries of the SADC region in the CGE model, the exercise yields some useful insights on likely sectoral winners and losers (Tables 8.13-8.22). Overall, unilateral liberalisation is attractive because it gives rise to higher levels of trade without import diversion, and thus leads to higher welfare and growth. The methodology used to disaggregate the results leads, however, to an outcome where under the unilateral liberalisation scenario all countries except SACU and Mauritius run unsustainable balance of trade deficits. If the data had been available to identify each SADC country separately, the CGE approach would have resulted in a trade balance related to the 1995 base for each country. The same sectors which have been identified as experiencing rapid growth or decline would have emerged, but with more modest changes taking place.

The glaring example of totally unrealistic growth is in the clothing export growth rates of Malawi, Zimbabwe and particularly Mauritius. It is the sextupling of clothing exports from Mauritius under unilateral liberalisation that allows Mauritius to become the balancing element which produces the required balanced trade for the non-SACU SADC grouping in the CGE model, compensating for deficits in all the other countries. Analysis of the WTO scenario, where the outcome of the WTO Millennium Round is assumed to be a 50% cut in MFN tariffs by all member countries, produces a more sustainable outcome in balance of trade terms. If the REPA and WTO scenarios are compared as though they were mutually exclusive, the REPA scenario emerges as being clearly preferred over WTO by only three countries: Malawi, Mauritius and Zimbabwe. The main benefit in the REPA scenario again arises from the very high rates of growth in clothing exports to the region (for Malawi and Zimbabwe) and the EU (for Mauritius and Zimbabwe).

In comparing the scenarios, it is important to review the assumptions in the model which give rise to the very high growth rates for clothing exports. This leads to a more sober picture of export prospects under the REPA and unilateral liberalisation scenarios because, in addition to supply constraints in the producing countries, regional exports are likely to be constrained by clothing being designated as "sensitive" by South Africa, while in Europe there will be increased post-MFA competition. The WTO scenario may thus in practice be more attractive relative to the REPA scenario even for those countries with very high (clothing-related) export growth in the

REPA case.

It must, however, be stressed that the presentation of the scenarios as though they were mutually exclusive is merely a device to highlight the resulting changes in trade patterns. In fact, the multilateral, EU and regional negotiations can and should be treated as complementary. What the comparative static analysis serves to stress is that, despite the strong trade ties between SADC countries and the EU, the REPA option should not be the exclusive or even predominant focus of attention. There is a great deal to be gained for particular SADC countries and the group as a whole from negotiating in the WTO forum for MFN tariff reductions from all trading partners. The least developed countries will be able to choose whether to reciprocate with cuts in their own tariffs, whereas the non-least developed will be required to make reciprocal cuts, albeit perhaps on an asymmetrical timetable. The direction, however, should clearly be towards greater liberalisation. As shown by the CGE model runs for the region as a whole, which would be echoed for each country if it was possible to disaggregate, unilateral liberalisation by the SADC countries would be unambiguously the most advantageous strategy, giving rise to the highest welfare and growth benefits.

Another important point to be made in qualifying the results presented in this section relates to extending the analysis from comparative statics to a dynamic context. For a SADC country to make strides towards achieving broad socio-economic goals, such as rising standards of living and high levels of employment, substantial levels of investment will be required to expand and diversify the productive base. Once investment is allowed, the established pattern of trade, which forms the basis of the comparative static analysis, might be altered to greatly increase benefits from the new opportunities which preferential or liberalised trading arrangements open up. The most dramatic impact would arise from countries starting new industries (eg through exploiting a new mineral resource or starting an export-oriented labour-intensive industry, as Mauritius did so successfully earlier with clothing and is now trying to do with jewellery). Even within particular sectors, altering the production mix to take advantage of shifting markets could change export prospects from decline to expansion. A more liberal trading system could encourage innovation by removing both protection and the fear of new protection, although it also removes the two traditional policies to encourage investment: import protection for infant industries and preferences.

Extending the analysis from static to dynamic serves to reinforce the orientation towards greater liberalisation: the broader the degree of liberalisation, the wider the spectrum of opportunities and hence the larger the dynamic benefits which will arise. However, to persuade both domestic and foreign firms to invest, liberalisation needs to be carried out in a political and economic policy context which gives assurance that the liberalisation is irrevocable. Binding in the WTO is the obvious instrument for this. The possible role of regional agreements in 'locking in' liberalisation and other aspects of economic reform is dealt with later in this chapter.

8.5 Other sectoral effects

Studies which have been able to study and take evidence from individual sectors have identified a number which seem particularly vulnerable to changes in the trade regime, which can supplement our broader picture. Using high tariffs (and the South African sensitive list), Imani (1998) identified meat, dairy, some meat and fish products, vegetables, sugar, tobacco, fuels, leather and wood, textiles, clothing and footwear, and some other manufactures as the most likely to be sensitive to liberalisation towards the EU. The share of these in SADC imports from the EU was below 10% of (actual, not potential) imports, and it therefore concluded that they could probably be excluded, while remaining within WTO rules. Any additional exclusions for other reasons, however, could take it above the limit. On the export side, SADC countries' vulnerability because of their dependence on exports of a few agricultural goods is well documented (by SADC, among others), and on imports, the CAP subsidies mean that imports from the EU could displace even efficient home production. While there are of course consumption and welfare benefits from taking advantage of another country's subsidy payments, the prospects for reform of the CAP, both internally and because of WTO pressure, mean that such exports may bring temporary disruption, but not long-term assured supply.

The effect on sugar depends on the price of sugar in the EU and on the survival of the sugar protocol. Thus this is an export which is permanently vulnerable to decisions beyond SADC control. The price reduction which most sugar producers assume, of about 20%, would be about in line with our assumption about WTO liberalisation. All the studies have found that the 'rents' from the sugar protocol are the most important benefit from EU and Lomé trading arrangements.

Beef is among the most frequently mentioned sectors. There is evidence from the effects of previous South African liberalisation on South African (and Namibian) meat markets of the potential impact. Imports from the EU to South Africa surged (from 6.6 to 34.2 million kilograms) in 1994 when it lifted quotas. As European beef exports are subsidised, their price was much less than the local price, (Tekere, 1997, October, p. 10). The surplus also damaged Namibia (which normally exports the same type of beef to South Africa, and for which South Africa is the major export market), and Zambia suffered a similar inflow of beef. Once anti-dumping actions can be applied to agricultural subsidised exports, a mechanism would exist in principle to resolve this, but there are two serious obstacles. South Africa (and the other SACU countries) does not yet have an anti-dumping regime and even if it creates one, the costs and complications of proving subsidised prices would be a major burden on its negotiating and legal resources. (The 1996 subsidy was estimated as 2.5 times the value of exports, Namibia National Farmers Union, 1998.)

8.6 Development effects

The principal economic objective of SADC is development, and therefore the static effects which are analysed here (and in all the other studies cited, except for a small attempt in IDS, BIDPA 1998) may seem to be telling not even half the story. We must consider two other types of impact: sectoral or distributional effects which could have particularly good (or bad) effects on the structure of the economies and dynamic effects which could increase the aggregate effects estimated here.

The sectoral effects do not, from the model or the more detailed examination, seem to indicate a significant contribution to development and show some risks. Beef canning and fish canning are important food processing industries in some SADC countries. Subsidised beef and canned fish from subsidised fishing compete with this, with not only a direct effect on the industry, but damage to the industrialisation strategy. Cattle are also produced in some cases in poor and/or communal farming areas, so that there are effects on income distribution objectives as well. A full answer would require more detailed, country-by-country examination in the light of particular country plans, but over all the potential impact of easing the imports of European agriculture could compete with the sectors from which surpluses have been generated to provide the major part of national saving in some of the countries, and easing imports of manufactures could hinder the industrialisation objectives. Further, binding the countries to a particular trade strategy can reduce the flexibility to adjust policy to new objectives or new development strategies as the countries develop.

This leaves the dynamic effects. But assertions about the 'dynamic' effects of regions (like the early 1980s infatuation with exports) tend to rely more on faith than either economic analysis or empirical evidence.[36] Imani (1998) argued that 'the formation of a REPA between the EU and SADC could improve the image of the region among foreign and domestic investors, increasing their confidence and leading to an inflow of investment' (p. 128). There are two ways in which such an investment effect might work. If the direct effects of a region on trade and output are strong, normal accelerator models of investment will lead to an investment response, and this could, under certain assumptions, lead to continuing growth, not simply a return to an equilibrium. This is the type of effect found in studies of European integration, but there the initial direct effects are larger. Our model (and the others) is not designed to show such an effect, but it seems clear that the size of the output changes found, even where they are positive, would not be sufficient. Winters (1997) looks at a variety of studies, and finds that while 'large open neighbors' can be beneficial, this seems unrelated to the existence of a region. While there is some evidence of convergence of productivity growth from contact (p. 27), this is found mainly in countries which are not too different to start, and does not depend on the institutionalisation of regions.

8.7 Expectations effects

The other argument is that a region changes expectations: it reduces uncertainty and thus has a permanent effect of increasing the return (or reducing the cost) of investment. This could come from various sources. In any region. a public negotiation and signing of what is necessarily a significant set of economic measures may increase at least the transparency of economic policy, and may demonstrate governments' commitment to a stable economic policy. It is difficult to plan an FTA or CU if one of the countries is expected to have changing policies. The commitment to remain together which characterises long-standing successful regions alters outsiders' perceptions of them, and therefore encourages higher external investment. But it is not clear whether this reasoning can be reversed: can simply joining a region deliver this 'lock-in'? Or, more important, can it create the external perceptions and consequential investment? It is the perceived commitment of regions like the EU to each other, not the simple signing of treaties, that has created the perception.

But there is a more specific argument for developing countries to link with developed (first used for Mexico with the US in NAFTA, although there are elements of it in analyses of the entry of Spain, Portugal, and Greece into the EU). By 'tying' itself to a stable, trusted, partner, a country gains 'credibility'. Obviously this must depend on the strength of the 'tie' or 'lock-in'. Where the members of a regional arrangement have strong non-political links, these can act to guarantee their acceptance of the economic commitments of the region. Where the economic benefits are strong, these could work, but this risks becoming circular where the economic benefits are almost entirely from the tie itself (as they seem to be in the SADC-EU case). An important question (and one very relevant to SADC) is whether this locking in is stronger in an agreement

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36 'Dynamics play an almost mystical role in many discussions of economic integration. Having found that the static benefits are usually rather small or possibly even negative, advocates of regional integration arrangements..typically appeal to the dynamic benefits. However, what these constitute and how they come about are frequently rather vague and the evidence linking dynamic benefits to particular instances of integration very difficult to pin down.' (Winters, 1997).

with one developed economy or with the WTO. Winters (1997) argues that this is 'probably' true (p. 31), because it is more 'focused', but perhaps only for locking in trade policy among the members of the region itself. This is very different from the argument usually made, which sees the advantage applying to all investors, not just those where the legal obligations of the region itself apply. The limited empirical evidence could support the narrower view: when faced with an economic crisis in 1994, Mexico raised its tariffs to the rest of the world, but not to its NAFTA partners. It did liberalise its investment laws to all when required to do so to NAFTA, but whether this was to avoid diversion or because of a change of policy is impossible to know.

In the SADC-EU context, the potential for lock-in was originally interpreted as coming from the SADC countries' desire to retain EU access. If they proved willing to sign a REPA to retain the access they had had under Lomé, this would show that they valued the economic benefits of this access, and they could be expected to continue to behave according to the norms of the REPA. This argument was accepted by Imani (1998), p. 134, and extended to a view that if any SADC country 'lapsed', 'it would quickly stand out as the exception to the rule, and it would lose the important image among investors of predictability'. This is an argument for continued compliance by a single member of SADC. But it is now (since the EC commissioned reports on the REPA showed relatively little benefit or even loss) being interpreted in conjunction with the aid-element of a post-SADC settlement. This could mean that if a country (or the regions) signed a REPA, but then did not meet its terms, it could lose aid (a form of cross conditionality). But it is also being argued by some observers that if the SADC (or other ACP) countries do not sign a REPA, they will not receive aid (or the same level of aid) from the EC. This does not seem consistent either with the free choice (the 'menu approach') offered between a REPA and GSP, or with the declared objectives of the aid programmes of the EC or of the major donors within it, to relate aid to the elimination of poverty. If it is the intention of donors to add signing REPAs (not merely meeting their rules if they are signed) to the conditionality agenda, this could alter the benefits calculated here (or in the other studies). It would be most significant for the least developed: these are (normally) the major recipients of aid (as a proportion of GDP) and have the least to gain from other aspects of the REPAs. It seems important that the EC and the EU members should clarify their intentions on linking aid and trade. There were initially some suggestions that aid could be given to meet the costs of adjustment to a REPA, this has not been defined, and clearly if a country chose not to make the adjustment, losing the compensation for making the adjustment would not be a credible disincentive.

9. Economic effects and negotiating strategies

The title of this chapter is intended to emphasise its limits: countries (and regions) will not choose their trade strategy only for trade reasons, so the analysis here can only offer part of the answer.

SADC countries must choose their trade strategy in a context of unknown outcomes to multilateral negotiations and other bilateral negotiations and with uncertainty over the details of its own negotiations. The aggregate effects on trade and therefore the calculable effects on output and welfare show only small differences for the different scenarios here, and other studies have found similar results. The effects come in particular sectors or on areas like the fiscal balance. The implications of these will depend on the policy choices of the region and the member countries. They also come in less tangible forms: on SADC's own regional integration and perhaps on others' perceptions of SADC's performance. If we keep to the economically calculable results, we obtain the conventional answer that full liberalisation by SADC is the best scenario, even if the rest of the world does not respond, with liberalisation to just part of the world, to the EU, inferior, but possibly beneficial on balance: if there are additional costs to not liberalising to the EU, whether from loss of trade access, direct penalties in cutting aid or more nebulous loss of confidence, and if the costs of discriminatory liberalisation in terms of both administrative costs and pressures from excluded countries are not too high (neither of these is included in the scenarios), the balance shifts from doing nothing towards liberalising to the EU, but this remains inferior to full liberalisation.

The SADC strategy must distinguish clearly between negotiations and questions on which it can decide, and those where it is necessarily dependent on others. GSP, as much as the CAP, is a matter which is legally entirely at the discretion of the importing country. This does not preclude attempts to influence the outcome (in either case), but the final choices, the details, and any subsequent changes need not be the subject even of consultation. This requires a different type of negotiation, a requesting not bargaining type of relationship. It creates uncertainties: of information about what is available, about how it is to be implemented, about its permanence. A trade agreement, with the WTO or the EU, is contractual in nature, although any agreement with the EU suffers from some unpredictability (the long delays in negotiating the EU-South Africa agreement, for example) and legal uncertainty (the potential distinctive features of a REPA would almost certainly be tested by the WTO Article XXIV procedure). But SADC countries must ensure that the contracts are real. With the WTO, there are clear ways of obtaining interpretations of the rules, through precedents or at the limit through the dispute procedure. Lomé, although contractual in theory, had no system for enforcing the contact on the EU nor any dispute system. If the advantages of an agreement with the EU would come not just from access, but specifically from better access than MFN (or normal GSP), then the weak provisions for 'consultation' about agreements with third parties of Lomé would need to be strengthened, and a dispute procedure (modelled on those in other FTAs, for example NAFTA) or on the WTO would be required. SADC should also draw lessons from other regions on what might be added to an agreement: not only exceptions and safeguard clauses, but perhaps an agreement not to use anti-dumping.

A major effect found here and in other studies of any liberalisation is on tax revenues, and the other studies have found that tax policy is already a weakness in SADC countries. Finding effective ways of compensating for the loss of tariff revenue and perhaps restructuring tax systems will be an essential pre-condition for any trade strategy. There is another link: if there are going to be pressures on tax revenue, it is particularly important that the economies grow as rapidly as possible to alleviate at least some of the pressure. This makes finding efficient trade solutions important.

The sectoral effects are large and uncertain. They depend on the outcome of internal reform in the EU and the WTO agricultural negotiations. One conclusion for the SADC countries may be (and it is not new) that the risks of high dependence on a few products, particularly ones which are subject to vagaries of policy as well as economic fluctuations, may be too high.

SADC will definitely be liberalising among themselves, probably liberalising at multinational level, and perhaps liberalising to the EU. This will make it essential to have a clear strategy and objectives, which can govern the nature and sequencing of all these policy changes. This will strengthen its position in all of them: to do no more than respond to the initiatives of the WTO or the EU is to allow them to set the agenda. SADC countries will also need all the information possible about the nature of the alternatives facing them. The EU can assist with this, for example by clarifying the nature of what would be included in REPAs and whether there is a link with aid. The current proposals on trade access are contradictory and inconsistent: can least developed countries be excluded from WTO-committed access if they join a region? How can the offer that no Lomé country will receive less than present access be consistent with WTO rules, unless the EU plans to offer Lomé terms to all WTO members on an MFN basis? (It would not even be sufficient to offer them to all GSP countries because some Lomé countries are no longer eligible for developing country treatment.)

There is a potential contradiction here between the EU's role as a region negotiating with another region for trade advantages and the EC's (and several donors') role in providing financial and technical assistance for SADC (and the rest of the ACP) in their negotiations, not only in the use of the aid threat as a negotiating weapon, but in the difficulty of advising 'the other side' about which parts of the EC position are firm and which are negotiable; whether there is a realistic possibility of improved GSP or other alternative trading arrangements; and which commitments cannot be relied on. From the SADC point of view, it is necessary to be aware of the dual position of donors.

The WTO negotiations will offer important opportunities, but possibly significant costs to the SADC countries. The sectors to be liberalised, especially agriculture, are important to it. It will need to find effective mechanisms for at a minimum obtaining full and timely information about proposals, but if possible for influencing them. One of the risks with liberalisation to the EU is the extent of its use of subsidies, with SADC beef and fish already suffering. Subsidies started to be a major issue in the last WTO round, and will be more important in the next because of the priority to agriculture, and because tariffs are now rarely large enough to be worth negotiating about. On subsidies, the SADC countries will find many other allies. Their bargaining position may be strengthened by environmental arguments: over-exploitation of fishing stocks and over-use of inappropriate land and cattle-raising methods can be challenged on these grounds as well as on more traditional grounds of economic inefficiency and unfair subsidies. But to use all these arguments effectively, the SADC countries will need a constant presence in WTO preliminary discussions where policies are proposed and formulated, as well as in the final negotiations. They will also be better able to take advantage of the demands they have the right to make on WTO research and for WTO technical assistance.[37] They will need, as part of their

[37] There are, of course, potential conflicts of interest here, too, but of a different type from those involved in using EU assistance. The WTO would have difficulty in advising on how far its rules can be stretched (although it has come close, by offering courses and advice on anti-dumping), and certainly could not offer to advise one side in a formal dispute. There are proposals for an independent unit to do this (financed by,

trade strategy, to allocate their resources between different negotiations. They may also need to try to find external support for this.

The outcome of WTO subsidy and agricultural reform negotiations is clearly crucial to the nature of any agreement with the EU on a REPA. If there is a prospect of a short WTO round, this might suggest deferring EU negotiations or making them conditional on the outcome. It is clear that the likely outcome of the round will still be very uncertain by early 2000, so SADC (and the rest of the ACP) might find it unreasonable to commit themselves on their policy towards the EU by then. There are also important connections in other areas, in standards (where progress at WTO level could make any EU-SADC agreement redundant), on rules of origin (where there is a strong SADC interest in common rules), and in services (where the WTO is likely to make progress, and which may be excluded from REPAs). The negotiations with different groups and institutions should in any case be linked, with good coordination within governments, within SADC, and between governments and SADC. The links must include the sectoral ministries or others responsible and often the private sector; trade negotiations are not about macro-economic aggregates but about products.

The arguments for unilateral liberalisation also apply to other forms of trade facilitation. If the SADC countries can find common ways of conducting trade with themselves and with all their trade partners, this will start to counter the advantage of developed countries, and will improve their terms of trade with all partners. Part of this will be creating good common data on trade and trade policy.

There will be difficult questions of different interests, between SADC and other ACP countries, but also between least developed and other SADC countries, between food importers and exporters, ... In each case it will be necessary to ask: does the strength of a joint negotiation outweigh the need to compromise on the outcome? Is the commitment to joint action sufficiently strong to outweigh different interests? And perhaps, at how many levels is it effective to negotiate? SADC will have regional negotiations and a regional presence at the WTO, but will still need country-EU negotiations, and country representation at the WTO (and the SACU countries will have an additional level). The ACP may add strength, particularly if the focus is on using progress within WTO negotiations to strengthen the position relative to the EU, but countries and SADC will need to consider what is practical. There may be more opportunities for regions to act together in the next WTO round than in the past, because there are more and stronger regions.

As we indicated in the introduction, the immediate task for SADC is not to take a set of decisions, but to set up processes which will allow it to influence which decisions, with whom, when, will be made, and then allow it to have the information and the consensus to choose a combination of policies. These must be taken with the objective not of obtaining individual trade

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but not under the control of major donors). As mentioned in Chapter 3, there was also a commitment to have a 'development house' when the WTO was formally established in Switzerland.

advantages, but of promoting a broader strategy of development and regional integration. But it is because SADC has such objectives that it has the possibility of being an effective negotiator.

Appendix 1: WTO Rules on Regions

The international regulation of regions dates formally from the founding of GATT in 1948, but Viner (1950, p. 4) traces this back to the nineteenth century and 'widespread existence of contractual obligations not to resort to tariff discrimination, and the general acceptance of customs unions as a derogation from such obligations'. In doing so, he brings out what has remained a dual aspect of regulation. It regulates the coverage and the form of existing agreements, but it also encourages a particular type of agreement to emerge. These agreements 'tended to restrict the field for special tariff arrangements between independent countries to agreements of a type which could plausibly be held to meet the criteria of a "customs union"'.

Under the system of bilateral arrangements which governed most trade among advanced countries from the nineteenth century to the foundation of GATT, countries normally bound themselves to offer each trading partner 'Most Favoured Nation' treatment. Even though the analysis of trade diversion and creation had not been formally developed until Viner's 1950 publication, it was obvious that countries outside, which had to pay higher tariffs for entry into a market than other suppliers suffered damage to their interests, even if the damaging effect of trade diversion on the region itself was not understood. The multilateral treaty, GATT, carried forward this interest in ensuring that no countries were treated better than their competitors.[38] But against this was the perception that trade liberalisation was good for an individual country and regional liberalisation could be seen as a step towards general liberalisation. The trade creation and diversion arguments suggested that the world as a whole could gain more than it lost from a regional group if creation exceeded diversion, and therefore regions with compensation for the excluded could be beneficial for all.

There was also the problem of the existence when GATT was negotiated of a variety of imperial preferences. These could not be forbidden because they merely extended the borders of countries; within these free trade, and thus discrimination against the rest of the world, was normal.

Under what circumstances should countries be able to treat each other differently from 'normal', and is it desirable or feasible to have a range of degrees of special treatment? The second question is a practical one: do the benefits in each case outweigh the complications? The first is more difficult because it requires the international system to judge the legitimacy of the preferences of different countries about their international relations. Including such judgements was a major innovation when GATT was founded. Unlike other international institutions, the essential element of GATT (now the WTO) has been that it is based on regulations and on legal processes for defining, implementing and enforcing them. The others rely on consent or implementation through countries' own legal systems. Discretion to respond to members' changes in preferences or the organisation's own changes in perceptions about appropriate economic policy (as in the IMF or World Bank) would not be consistent with this, but the assessment of what type of relationship between countries is closer than normal is inevitably political. For this reason, any GATT definition had to be in terms of outcomes, not intentions or motives.

38 As a technical point both SADC and an EU-SADC FTA could face an objection that giving preferential treatment to the non-WTO members (Angola, Congo and Seychelles) violates the requirement of MFN for all WTO members.

The answers to when countries can discriminate under GATT and the WTO have followed two potentially contradictory strands. One takes the country as the standard. Special treatment was allowed if there is a special relationship, like that between a country and its colonies (Viner 1950, p. 16) and if it is as extensive as in a country, i.e. virtually without exceptions. Regions come under these provisions. The second strand dates from the major revision of the GATT in 1971 to provide a special section on the developing countries. Initially, the allowance was for all 'developing countries', but the Uruguay Round introduced a distinction between Least Developed and other developing, with different degrees of special treatment. This has been extended in the agreement reached on Least Developed countries in 1997 under which not only do they receive improved access to developed countries, but some middle income developing countries have started to offer preferences to the least developed. Thus, in contrast to the rules for regions which must be 'all' or nothing, there is a range of intermediate positions between country and MFN for development preferences.

Any concept or regulation of preferential treatment requires an agreed definition and acceptance of what 'normal' treatment is. On those subjects where countries have a variety of different arrangements with different partners, and there is no international standard, for example for cooperation on infrastructure or external pollution effects, or, until recently at least, on rules to regulate investment flows, the word 'region' is unlikely to be used, because there is no perception that having a special relationship is unusual or needs an identifying name. The definition of regions has thus changed in parallel with the growing coverage and legal rigour within GATT and the WTO, and therefore the type of agreements which constitute a 'region' has extended. These trends have brought in not only different types of economic activity (the extension to services, investment, etc.) but different institutions, including dispute settlement procedures, standard setting, etc. This is repeating what happened on trade. It was the growth of the concept of MFN in the nineteenth century which forced the development of the customs union exception agreement. Given that one of the principal objectives of establishing the GATT was to introduce certainty and international sanctions against arbitrary changes in trading arrangements, the exceptions to the MFN principle had to be further defined and limits set.

GATT permitted regional groups which became, as far as trade was concerned, effectively the same as countries. The explanation given in the GATT agreement was 'the desirability of increasing freedom of trade by the development, through voluntary agreements, of closer integration between the economies of the countries parties to such agreements....The purpose of a customs union or of a free-trade area should be to facilitate trade between the constituent territories and not to raise barriers to the trade of other contracting parties with such territories.' (GATT 1986, Article XXIV). As GATT was designed to regulate and have as members 'customs territories' rather than 'countries', a customs union could be viewed simply as the substitution of one customs territory for a number of pre-existing ones, although this has not been carried to the logical outcome of having only the customs union as a member. For a free trade area, the requirement is that tariffs be eliminated on 'substantially all the trade' within the area. For customs unions, an additional requirement is that the new common tariff is 'not on the whole' higher or more restrictive than those of the countries forming the region (GATT, 1986, Article XXIV). For both, 'regulations of commerce' are also not be raised above the pre-agreement level, but these were not defined.

The rationale was that without the obligation to go 'almost' all the way to free trade, regional groups would free the products where group members were competing with non-members (and thus divert trade from them) and keep restrictions where they were competing with each other (and thus hinder trade creation). The rule is not sufficient to prevent non-member countries from being damaged from trade diversion, but it tries to limit the damage, first by limiting the number of regions to those where the members are willing to accept the full obligations of Article XXIV and then by not allowing them to increase tariffs. Because diversion depends on the relationship between the difference between the margin between regional and other prices and the tariff, there can be no rule (other than zero tariffs) which can guarantee that there will be no damage to outsiders, and the fact that production patterns and costs will change within the region and outside it means that any solution can only be approximate and based on information available at the time the region is formed. Where there is production using inputs from in and outside the region, the rules about what goods are treated as coming from the region, the rules of origin, become an essential part of the regulation of the region, and of its effect on the rest of the world. The effects of these are also unpredictable over time.

In the 1960s, most colonies became independent and ceased to be covered by the provisions for extended customs areas under imperial preferences. At the same time analysis of how countries develop led to a set of beliefs that they should have the right to assistance and special treatment; that they needed to be able to use trade policy, including import protection and export promotion, as part of a development strategy; and that they might need a larger market area than that of an individual country to provide a start for new industries. As a result, in 1971, Part 4 was added to the GATT agreement, allowing developing countries 'special and differential treatment'. This included exemption from the MFN rules for special preferences by developed countries for the developing countries and greater freedom for developing to alter their own tariffs. In 1979, this was supplemented by the 'Enabling Clause on Differential and More Favourable Treatment, Reciprocity and Fuller Participation of Developing Countries' which allowed regions among developing countries to be notified to the Committee on Trade and Development, exempting them from the usual constraints; it permitted preferential agreements which did not have the full coverage of FTAs: freedom to form 'regional groups' without meeting the full requirements of Article XXIV.

In practice, even for developed countries, control has been effectively non-existent, before and after 1971. Most groups were, as required, notified to the GATT, and thus the controls at least have ensured transparency. Then, each was reviewed by an *ad hoc* committe. But the reviews never rejected a proposed agreement. Decisions (as in the GATT dispute process) could only be adopted by consensus, and thus the members of the group themselves would have had to agree. The use of *ad hoc* committees meant that no general patterns of examination or precedents for what was permitted were developed. The most significant new region of the 1950s, the European Community, was welcomed for political and security reasons by the country which might have been most economically damaged by trade diversion, the US, and therefore not challenged. Other groups did not include countries large enough to have a major impact on world trade. Later, as Europe expanded and the original conditions which ensured support for it changed, the emphasis in the review was on calculating the possible trade diversion effects, and negotiating compensating changes in tariffs, not judging whether the expansion should be allowed. Implicitly, it was assumed that the formation of regions was a decision properly left in the hands of the countries involved.

Events in the 1980s led to changes in this process. The moves of Europe to integrate more closely into the Single European Market and to extend itself to first southern Europe in the 1980s, then northern Europe in the 1990s, and potentially eastern Europe in the 2000s, combined with the formation of NAFTA and a number of new developing country regions, ended the assumption that regions have a limited effect on the rest of the world. Regions were no longer special cases, to be treated individually, but a major trend affecting the nature of the world economic system. Larger countries were joining regions, so more had direct trade effects, but even small ones could have a systemic effect.

The adoption of the WTO brought three changes in the legal regulation of regions, on coverage, timing and tariffs. An Understanding on Article XXIV reemphasised the need to cover 'substantially' all trade, and although there is still no formal definition, the principal trading countries and a newly active WTO secretariat have tried to build a consensus around a belief that no major sector can be entirely excluded. (This would be consistent with the services provisions, as described below.)

As no region has been approved or rejected under the new rules, 'substantially all trade' and the definition of a 'major sector' which cannot be excluded remain undefined. 90% is the conventional number used for 'substantially' in most discussion, but the question of 90% of what is even more uncertain than the number. As high tariffs can restrict the share of a range of products, and thus keep them below 10% of actual imports even if they would be more than 10% of imports if imports were unrestricted, the question of whether it is actual imports or some measure of potential imports needs resolution. As actual imports are easier to measure than potential, *de facto* actual is used in most discussions, but this will need to be decided by WTO and its members. 'Sector' could be taken to mean something as broad as agriculture or manufactures, or a single or double digit classification of trade. 'If agricultural restrictions are prohibitive, then agricultural trade is by definition not substantial' (Sampson AER, 1996 p. 90). Although writing unofficially, Sampson is a WTO official.

The GATT 1948 provisions allowed transition periods, which effectively gave additional 'flexibility' to the requirement for substantial coverage; the new Understanding limited transition to 10 years. It tightened the rules about not increasing barriers from: not 'on the whole higher' to an 'assessment of weighted average tariff rates and of customs duties collected', with detailed requirements for the calculation. This effectively only gave legal force to what had become the practice. It did not attempt to clarify the provisions on other 'regulations of commerce', although it had become clear that rules of origin in particular were being used, particularly in free trade areas, as an essential element of protection. The Understanding also introduced periodic reviews of groups in transition, and the WTO later substituted a single Committee on Regions for the old working group system.

For developing countries, there was an additional modification, although more by association. The negotiations put more emphasis on reciprocal obligations (except for the least developed), and although some special provisions for other developing countries for smaller concessions or longer periods of adjustment were built into the settlement, in general the old presumption that special and differential treatment was the rule was shaken. Formally, this meant that even regions of developing countries started to be examined under the normal, Article XXIV provisions, rather than the more flexible ones for Part 4 treatment; informally, it meant that the presumption that developing countries should be able to use trading rules relatively freely was weakened, so any examination would be more rigorous.

There is a clear potential conflict between preferences and regions, as most regions include countries at more than one preference level, and most preference regimes include members and non-members of regions. With tariffs generally falling, the conflicts can be seen as temporary, with *ad hoc* settlements acceptable.

The WTO review of Mexico (WTO, Mexico 1997, p. xvii) included a recommendation that 'there is scope for Mexico to bring together its regional and multilateral efforts for example, by binding its regional commitments under the WTO; this would also confirm internationally the major shift that Mexico has made, over several years, away from its earlier protectionist policies'. It is not clear what this means. The individual regions of which it is a member are notified and may be approved by the WTO, but this does not constitute binding in the sense that MFN tariffs are bound. The WTO has not found a way of 'binding' the extra commitments for least developed countries which have been negotiated under its auspices in 1997. The idea that the WTO should require an overall enforcement function for regions seems difficult to implement, given the different procedures and rules of the groups.

The second innovation of the Uruguay Round was to extend the regulation of regions beyond trade in goods. For subjects not covered by the GATT, there had been no restrictions from Article XXIV on countries' giving each other more or less favourable treatment. The Uruguay Round extended the responsibilities of the new WTO to services, regulations and standards like intellectual property and the use of health standards as a barrier to trade, and implicitly to some aspects of investment. In parallel, the General Agreement on Services included (as Article V) a provision that countries could liberalise trade in services within a group, provided the agreement had 'substantial sectoral coverage' and was part of 'a wider process of economic integration or trade liberalisation among the countries concerned' (GATT, Uruguay Round, GATS, Article V). Significantly, the phrase substantial sectoral coverage was to be 'understood in terms of number of sectors, value of trade affected and modes of supply'. As most existing regions, especially those in Latin America, took the opportunity of their initial services offers to specify their regional partners as exceptions to the MFN rule (as was allowed at that point), this provision may take some time to be tested.

Another significant change in treatment of regions in the WTO was the admission of the EU as a member, although additional to, not instead of, its member states. This marked the logical outcome of treating it as the customs region which is making commitments to other members of the WTO, as trade in goods is a matter of EU, not member state competence. The EU had already been the unit, not the individual members, which was reviewed as part of the WTO's regular Trade Policy Review assessment process of its members. This step is in part a return to the past, when imperial powers were recognized as the member, with responsibilities for applying GATT rules to their colonies. The other customs unions have not been admitted, and are still treated normally as separate countries, including in the trade reviews.

No new region has yet completed a process of review under the new GATT Article XXIV or GATS Article V rules, so it cannot be certain that the process will in practice be more restrictive than in the past, but the fact that regions have been put through the full process, even if they are made up of developing countries, and statements of support for more rigorous enforcement of WTO rules, even by regions like the EU, suggest stronger enforcement. The new rigour may be reflected not in the criticism or rejection of regions in the review process, but in the way in which regions are negotiated in the first place. The agreements which the EU has signed with the eastern European countries all included provisions for eventual free trade, explicitly to meet these new requirements. There are, however, agreements signed since the adoption of the new rules which clearly violate them.

ANGOLA EXPORTS (US$ m)

Exports to regions:	Scenarios Base '95	Base '15	REPA	U Lib
SACU	1	1	1	1
SADC	-	-	-	-
EU	788	754	653	478
ROW	2,860	2,709	2,275	1,627
Total	3,649	3,464	2,929	2,106

Change in exports		Base '15 Base '95	REPA Base '95	U Lib Base '95
SACU		19.4%	16.6%	-3.6%
SADC		-	-	-
EU		-4.4%	-17.2%	-39.3%
ROW		-5.3%	-20.4%	-43.1%
Total		-5.1%	-19.7%	-42.3%

Share in exports	Scenarios Base '95	Base '15	REPA	U Lib
SACU	0%	0%	0%	0%
SADC	0%	0%	0%	0%
EU	22%	22%	22%	23%
ROW	78%	78%	78%	77%

ANGOLA IMPORTS (US$ m)

Imports from:	Scenarios Base '95	Base '15	REPA	U Lib
SACU	112	134	121	115
SADC	12	13	12	12
EU	1,127	1,092	1,690	1,437
ROW	515	497	410	683
Total	1,767	1,737	2,234	2,246

Change in imports		Base '15 Base '95	REPA Base '95	U Lib Base '95
SACU		19.8%	7.8%	2.4%
SADC		12.0%	3.2%	-2.9%
EU		-3.1%	50.0%	27.5%
ROW		-3.6%	-20.4%	32.5%
Total		-1.7%	26.5%	27.1%

Share in imports	Scenarios Base '95	Base '15	REPA	U Lib
SACU	6%	8%	5%	5%
SADC	1%	1%	1%	1%
EU	64%	63%	76%	64%
ROW	29%	29%	18%	30%

ANGOLA BALANCE OF TRADE (US$ m)

BOT with regions:	Scenarios Base '95	Base '15	REPA	U Lib
SACU	-111	-133	-120	-114
SADC	-12	-13	-12	-12
EU	-339	-338	-1,037	-959
ROW	2,345	2,212	1,865	944
Total	1,882	1,727	695	-140

ANGOLA EXPORTS - TOTAL (US$ 000)

Av Diff	% '95	SITC2	DESCRIPTION	Base '95	Base 2015			REPA			Unilateral Liberalisation		
US$m				US$th	Change	US$th	Difference	Change	US$th	Difference	Change	US$th	Difference
1	4%	03	Fish,crustaceans,mollucs,preparations thereof	28,312	1.5%	28,731	419	4.6%	29,625	1,313	5.0%	29,739	1,427
0	231%	84	Articles of apparel and clothing accessories	90	31.4%	118	28	163.1%	237	147	498.8%	539	449
0	66%	65	Textile yarn,fabrics,made-upart.,related products	111	10.8%	123	12	54.5%	171	60	131.6%	257	146
0	231%	85	Footwear	13	31.4%	17	4	163.0%	34	21	498.7%	78	65
0	4%	26	Textile fibres (except wool tops) and their wastes	205	5.4%	216	11	6.7%	219	14	0.0%	205	0
0	0%	07	Coffee,tea,cocoa,spices,manufactures thereof	4,707	1.0%	4,753	46	3.9%	4,892	185	-4.4%	4,501	-206
0	3%	78	Road vehicles (incl. air cushion vehicles	229	4.3%	239	10	7.6%	246	17	-2.7%	223	-6
0	0%	24	Cork and wood	1,571	1.0%	1,586	15	3.9%	1,633	62	-4.4%	1,502	-69
0	9%	75	Office machines & automatic data processing equip.	24	12.7%	27	3	12.9%	27	3	1.1%	24	0
0	4%	21	Hides,skins and furskins,raw	48	1.5%	49	1	4.6%	50	2	5.1%	50	2
0	3%	97	Gold, non-monetary (excluding gold ores and concentr	18	14.4%	21	3	8.5%	20	2	-12.6%	16	-2
0		59	Chemical materials and products,n.e.s.			0	0		0	0		0	0
0		81	Sanitary,plumbing,heating and lighting fixtures			0	0		0	0		0	0
0		25	Pulp and waste paper			0	0		0	0		-0	-0
0		08	Feeding stuff for animals,not incl.unmil.cereals			0	0		-0	-0		0	0
0		29	Crude animal and vegetable materials,n.e.s.			0	0		-0	-0		0	0
0		73	Metalworking machinery			0	0		0	0		0	0
0		83	Travel goods,handbags and simllalr containers			0	0		0	0		0	0
0		09	Miscel.edible products and preparations			0	0		0	0		0	0
0		12	Tobacco and tobacco manufactures			0	0		0	0		0	0
0		22	Oil seeds and oleaginous fruit			0	0		-0	-0		0	0
-		00	Live animals chiefly for food			-	-		-	-		-	-
-		01	Meat and meat preparations			-	-		-	-		-	-
-		02	Dairy products and birds'eggs			-	-		-	-		-	-
-		06	Sugar,sugar preparations and honey			-	-		-	-		-	-
-		23	Crude rubber (including synthetic and reclaimed)			-	-		-	-		-	-
-		32	Coal,coke and briquettes			-	-		-	-		-	-
-		35	Electric current			-	-		-	-		-	-
-		41	Animal oils & fats			-	-		-	-		-	-
-		42	Fixed vegetable oils and fats			-	-		-	-		-	-
-		43	Animal-vegetable oils-fats,processed,and waxes			-	-		-	-		-	-
-		51	Organic chemicals			-	-		-	-		-	-
-		52	Inorganic chemicals			-	-		-	-		-	-
-		53	Dyeing,tanning and colouring materials			-	-		-	-		-	-
-		55	Essential oils & perfume mat.;toilet-cleansing mat			-	-		-	-		-	-
-		56	Fertilizers,manufactured			-	-		-	-		-	-
-		57	Explosives & pyrotechnic products			-	-		-	-		-	-
-		58	Artif.resins,plastic mat.,cellulose esters/ethers			-	-		-	-		-	-
-		61	Leather,leather manuf.,n.e.s.and dressed furskisg			-	-		-	-		-	-
-		68	Non-ferrous metals			-	-		-	-		-	-
-		94	Animals,live,zoo animals,dogs,cats etc.			-	-		-	-		-	-
-		95	Arms,of war and ammunition therefor			-	-		-	-		-	-
-0		96	Coin (other than gold)			-0	-0		-0	-0		-0	-0
-0	0%	89	Miscellaneous manufactured articles,n.e.s.	13	2.8%	13	0	3.1%	13	0	-7.2%	12	-1
-0	-4%	11	Beverages	6	-0.5%	6	-0	-0.2%	6	-0	-9.9%	5	-1
-0	-5%	64	Paper,paperboard,artic.of paper,paper-pulp/board	5	-3.1%	5	-0	-3.1%	5	-0	-8.9%	5	-0
-0	-7%	54	Medicinal and pharmaceutical products	13	-4.9%	12	-1	-5.1%	12	-1	-10.2%	12	-1
-0	-7%	62	Rubber manufactures,n.e.s.	13	-5.2%	12	-1	-5.4%	12	-1	-10.4%	12	-1
-0	-4%	05	Vegetables and fruit	32	-1.3%	32	-0	-1.1%	32	-0	-9.8%	29	-3
-0		67	Iron and steel			-2	-2		-1	-1		-2	-2
-0	-4%	88	Photographic apparatus,optical goods,watches	116	-0.5%	115	-1	-0.1%	116	-0	-9.9%	105	-11
-0	-3%	77	Electrical machinery,apparatus & appliances n.e.s.	151	-0.4%	150	-1	0.0%	151	-0	-9.8%	136	-15
-0	0%	79	Other transport equipment	1,650	-0.5%	1,642	-8	3.0%	1,700	50	-3.9%	1,585	-65
-0	-7%	82	Furniture and parts thereof	225	-5.2%	213	-12	-5.4%	213	-12	-10.4%	201	-24
-0	-7%	63	Cork and wood manufactures (excl.furniture)	229	-5.2%	217	-12	-5.4%	217	-12	-10.4%	205	-24
-0	-4%	76	Telecommunications & sound recording apparatus	591	-0.5%	588	-3	-0.2%	590	-1	-9.9%	532	-59
-0	-4%	74	General industrial machinery & equipment,and parts	636	-0.5%	633	-3	-0.2%	635	-1	-9.9%	573	-63
-0	-4%	87	Professional,scientific & controling instruments	649	-0.5%	646	-3	-0.2%	648	-1	-9.9%	585	-64
-0	-15%	69	Manufactures of metal,n.e.s.	221	-2.1%	216	-5	-8.5%	202	-19	-33.1%	148	-73
-0	-3%	72	Machinery specialized for particular industries	1,357	-0.5%	1,351	-6	-0.1%	1,356	-1	-9.9%	1,223	-134
-0	-4%	71	Power generating machinery and equipment	2,893	-0.5%	2,878	-15	-0.2%	2,888	-5	-9.9%	2,606	-287
-0	-18%	27	Crude fertilizers and crude materials (excl.coal)	802	-1.4%	791	-11	-11.6%	709	-93	-39.8%	483	-319
-0	-4%	93	Special transactions and commodities not classified ac	5,829	-0.5%	5,799	-30	-0.2%	5,819	-10	-9.9%	5,251	-578
-1	-18%	28	Metalliferous ores and metal scrap	4,686	-1.6%	4,612	-74	-11.8%	4,132	-554	-40.1%	2,809	-1,877
-1		04	Cereals and cereal preparations			-2,033	-2,033		-1,427	-1,427		778	778
-1	-4%	99	Unclassified	39,581	-0.5%	39,375	-206	-0.2%	39,513	-68	-9.9%	35,660	-3,921
-6	-23%	34	Gas,natural and manufactured	23,987	-5.3%	22,710	-1,277	-20.8%	18,993	-4,994	-43.8%	13,487	-10,500
-23	-14%	66	Non-metallic mineral manufactures,n.e.s.	161,862	-2.0%	158,677	-3,185	-8.4%	148,240	-13,622	-33.0%	108,379	-53,483
-785	-23%	33	Petroleum,petroleum products and related materials	3,368,227	-5.3%	3,189,147	-179,080	-20.8%	2,667,358	-700,869	-43.8%	1,893,875	-1,474,352
-816	-22%		TOTALS and Average Changes	3,649,102	-5.1%	3,463,687	-185,415	-19.7%	2,929,287	-719,815	-42.3%	2,105,827	-1,543,275

ANGOLA IMPORTS - TOTAL (US$ 000)

Av Diff US$m	% '95	SITC2	DESCRIPTION	Base '95 US$th	Base 2015 Change	Base 2015 US$th	Base 2015 Difference	REPA Change	REPA US$th	REPA Difference	Unilateral Liberalisation Change	Unilateral Liberalisation US$th	Unilateral Liberalisation Difference
43	36%	04	Cereals and cereal preparations	118,818	0.1%	118,917	99	61.3%	191,686	72,868	47.2%	174,919	56,101
41	80%	01	Meat and meat preparations	51,176	4.6%	53,509	2,333	174.8%	140,625	89,449	61.8%	82,803	31,627
35	132%	65	Textile yarn,fabrics,made-upart.,related products	26,138	14.2%	29,855	3,717	145.4%	64,149	38,011	237.0%	88,080	61,942
25	8%	79	Other transport equipment	320,852	-2.2%	313,797	-7,055	20.8%	387,601	66,749	5.1%	337,084	16,232
12	16%	69	Manufactures of metal,n.e.s.	77,654	-9.0%	70,691	-6,963	24.8%	96,895	19,241	31.8%	102,340	24,686
11	35%	84	Articles of apparel and clothing accessories	31,922	-4.6%	30,443	-1,479	49.7%	47,799	15,877	60.6%	51,266	19,344
11	60%	09	Miscel.edible products and preparations	18,330	3.5%	18,970	640	87.0%	34,286	15,956	88.3%	34,520	16,190
9	20%	42	Fixed vegetable oils and fats	46,889	-6.7%	43,766	-3,123	35.8%	63,686	16,797	31.0%	61,431	14,542
9	27%	05	Vegetables and fruit	34,245	5.2%	36,009	1,764	35.3%	46,330	12,085	41.9%	48,596	14,351
9	30%	82	Furniture and parts thereof	30,209	-3.5%	29,144	-1,065	45.7%	44,025	13,816	46.9%	44,385	14,176
8	23%	85	Footwear	34,033	-7.3%	31,533	-2,500	15.9%	39,459	5,426	61.4%	54,913	20,880
7	20%	02	Dairy products and birds'eggs	34,950	5.6%	36,916	1,966	25.3%	43,780	8,830	30.1%	45,462	10,512
7	5%	78	Road vehicles (incl. air cushion vehicles	143742	-1.8%	141,168	-2,574	6.7%	153,362	9,620	9.6%	157,560	13,818
7	24%	54	Medicinal and pharmaceutical products	29,100	-4.3%	27,861	-1,239	31.8%	38,340	9,240	43.8%	41,842	12,742
6	47%	26	Textile fibres (except wool tops) and their wastes	12,043	-1.0%	11,923	-120	47.7%	17,790	5,747	94.9%	23,478	11,435
5	22%	55	Essential oils & perfume mat.;toilet-cleansing mat	22,236	-2.9%	21,585	-651	28.6%	28,588	6,352	40.8%	31,313	9,077
5	6%	11	Beverages	72,881	-0.4%	72,594	-287	14.1%	83,191	10,310	5.7%	77,055	4,174
5	11%	67	Iron and steel	41,422	-8.6%	37,847	-3,575	12.2%	46,475	5,053	29.3%	53,567	12,145
4	40%	33	Petroleum,petroleum products and related materials	10,917	-3.2%	10,569	-348	50.2%	16,393	5,476	72.2%	18,804	7,887
4	23%	66	Non-metallic mineral manufactures,n.e.s.	15,608	-3.7%	15,027	-581	43.7%	22,425	6,817	28.9%	20,126	4,518
4	29%	03	Fish,crustaceans,mollucs,preparations thereof	12,238	1.9%	12,472	234	31.9%	16,147	3,909	53.5%	18,786	6,548
3	15%	59	Chemical materials and products,n.e.s.	21,285	-4.0%	20,438	-847	10.6%	23,532	2,247	36.9%	29,149	7,864
3	30%	64	Paper,paperboard,artic.of paper,paper-pulp/board	10,345	-3.9%	9,940	-405	45.5%	15,047	4,702	47.4%	15,252	4,907
3	6%	77	Electrical machinery,apparatus & appliances n.e.s.	48,966	-1.6%	48,200	-766	10.0%	53,851	4,885	9.7%	53,722	4,756
3	5%	74	General industrial machinery & equipment,and parts	54,504	-1.2%	53,851	-653	4.8%	57,122	2,618	10.2%	60,045	5,541
2	7%	87	Professional,scientific & controling instruments	38,003	-1.9%	37,286	-717	11.5%	42,378	4,375	10.1%	41,843	3,840
2	28%	53	Dyeing,tanning and colouring materials	8,485	-3.9%	8,157	-328	42.8%	12,113	3,628	46.5%	12,433	3,948
2	21%	62	Rubber manufactures,n.e.s.	9,326	-2.9%	9,054	-272	24.9%	11,653	2,327	39.7%	13,029	3,703
2	5%	71	Power generating machinery and equipment	34,850	-1.3%	34,412	-438	7.0%	37,276	2,426	9.7%	38,246	3,396
2	17%	63	Cork and wood manufactures (excl.furniture)	10,854	-4.3%	10,390	-464	15.1%	12,493	1,639	38.8%	15,062	4,208
2	4%	06	Sugar,sugar preparations and honey	36,397	-1.8%	35,744	-653	2.4%	37,259	862	12.2%	40,824	4,427
1	56%	07	Coffee,tea,cocoa,spices,manufactures thereof	2,521	8.5%	2,736	215	84.7%	4,655	2,134	76.0%	4,438	1,917
1	3%	89	Miscellaneous manufactured articles,n.e.s.	50,721	-1.6%	49,890	-831	-3.5%	48,945	-1,776	13.4%	57,535	6,814
1	4%	76	Telecommunications & sound recording apparatus	33,062	-1.6%	32,549	-513	2.1%	33,766	704	11.7%	36,945	3,883
1	26%	58	Artif.resins,plastic mat.,cellulose esters/ethers	4,663	0.6%	4,690	27	39.5%	6,503	1,840	38.8%	6,474	1,811
1	5%	93	Special transactions and commodities not classified ac	22,736	-1.9%	22,297	-439	5.2%	23,917	1,181	11.9%	25,436	2,700
1	48%	29	Crude animal and vegetable materials,n.e.s.	2,164	15.3%	2,495	331	70.3%	3,686	1,522	58.3%	3,425	1,261
1	1%	72	Machinery specialized for particular industries	106,371	-1.6%	104,655	-1,716	-10.8%	94,841	-11,530	15.3%	122,648	16,277
1	71%	08	Feeding stuff for animals,not incl.unmil.cereals	1,345	1.4%	1,363	18	114.6%	2,887	1,542	96.3%	2,641	1,296
1	27%	51	Organic chemicals	3,442	-2.7%	3,350	-92	40.7%	4,841	1,399	44.1%	4,959	1,517
1	4%	75	Office machines & automatic data processing equip.	25,016	-1.7%	24,594	-422	-0.4%	24,925	-91	12.7%	28,200	3,184
1	9%	52	Inorganic chemicals	9,616	-3.1%	9,318	-298	-2.6%	9,370	-246	31.6%	12,658	3,042
1	69%	23	Crude rubber (including synthetic and reclaimed)	1,136	-1.1%	1,123	-13	107.2%	2,353	1,217	101.5%	2,289	1,153
0	6%	88	Photographic apparatus,optical goods,watches	6,892	-1.7%	6,777	-115	11.6%	7,691	799	9.5%	7,549	657
0	25%	68	Non-ferrous metals	1,751	-9.3%	1,588	-163	48.6%	2,602	851	36.1%	2,383	632
0	7%	27	Crude fertilizers and crude materials (excl.coal)	4,830	-1.0%	4,780	-50	5.2%	5,083	253	16.8%	5,641	811
0	22%	34	Gas,natural and manufactured	1,336	-1.5%	1,315	-21	3.5%	1,382	46	63.8%	2,188	852
0	27%	22	Oil seeds and oleaginous fruit	1,059	28.3%	1,359	300	28.7%	1,363	304	22.7%	1,299	240
0	6%	81	Sanitary,plumbing,heating and lighting fixtures	4,112	-1.4%	4,055	-57	10.1%	4,527	415	9.2%	4,492	380
0	45%	24	Cork and wood	476	1.5%	483	7	44.5%	688	212	88.6%	898	422
0	46%	61	Leather,leather manuf.,n.e.s.and dressed furskisg	450	-9.1%	409	-41	87.8%	845	395	58.4%	713	263
0	7%	73	Metalworking machinery	1,379	-0.5%	1,372	-7	15.5%	1,592	213	5.6%	1,456	77
0	30%	00	Live animals chiefly for food	117	0.2%	117	0	40.6%	164	47	49.0%	174	57
0	1%	83	Travel goods,handbags and similair containers	3,986	-1.7%	3,918	-68	-12.2%	3,499	-487	15.9%	4,619	633
0	1%	43	Animal-vegetable oils-fats,processed,and waxes	3,446	-8.2%	3,162	-284	-7.2%	3,197	-249	17.2%	4,037	591
0	27%	56	Fertilizers,manufactured	52	2.0%	53	1	41.3%	73	21	37.2%	71	19
0	30%	28	Metalliferous ores and metal scrap	31	-1.0%	31	-0	58.3%	49	18	33.6%	41	10
0	32%	25	Pulp and waste paper	8	-5.1%	8	-0	51.0%	12	4	50.8%	12	4
0		57	Explosives & pyrotechnic products			2	2		2	2		-2	-2
0		32	Coal,coke and briquettes			0	0		0	0		-1	-1
-		35	Electric current			-	-		-	-		-	-
-		94	Animals,live,zoo animals,dogs,cats etc.			-	-		-	-		-	-
-		96	Coin (other than gold)			-	-		-	-		-	-
-		97	Gold, non-monetary (excluding gold ores and concentrates)			-	-		-	-		-	-
-0		21	Hides,skins and furskins,raw			-0	-0		-0	-0		-0	-0
-0		99	Unclassified			31	31		56	56		-92	-92
-0	-1%	95	Arms,of war and ammunition therefor	1,237	3.3%	1,278	41	-8.9%	1,127	-110	2.7%	1,270	33
-0	-6%	41	Animal oils & fats	1,147	-7.8%	1,057	-90	-23.1%	882	-265	11.9%	1,283	136
-0	-1%	12	Tobacco and tobacco manufactures	13,134	5.8%	13,892	758	-2.5%	12,802	-332	-5.1%	12,466	-668
306	17%		TOTALS and Average Changes	1,766,654	-1.7%	1,736,821	-29,833	26.5%	2,234,085	467,431	27.1%	2,246,082	479,428

DRC EXPORTS (US$ m)

Exports to regions:	Base '95	Base '15	REPA	U Lib
	Scenarios			
SACU	101	124	120	96
SADC	1	1	1	1
EU	1,074	1,061	1,020	809
ROW	437	424	385	283
Total	1,613	1,610	1,526	1,189

Change in exports		Base '15 Base '95	REPA Base '95	U Lib Base '95
SACU		23.4%	19.4%	-4.9%
SADC		18.8%	18.5%	4.5%
EU		-1.2%	-5.0%	-24.6%
ROW		-3.0%	-12.1%	-35.3%
Total		-0.2%	-5.4%	-26.3%

Share in exports	Base '95	Base '15	REPA	U Lib
	Scenarios			
SACU	6%	8%	8%	8%
SADC	0%	0%	0%	0%
EU	67%	66%	67%	68%
ROW	27%	26%	25%	24%

DRC IMPORTS (US$ m)

Imports from:	Base '95	Base '15	REPA	U Lib
	Scenarios			
SACU	190	223	208	206
SADC	9	11	11	10
EU	493	481	817	725
ROW	386	378	333	674
Total	1,078	1,092	1,369	1,615

Change in imports		Base '15 Base '95	REPA Base '95	U Lib Base '95
SACU		17.2%	9.3%	8.2%
SADC		26.2%	25.3%	15.7%
EU		-2.5%	65.7%	47.1%
ROW		-2.3%	-13.8%	74.4%
Total		1.3%	27.0%	49.8%

Share in imports	Base '95	Base '15	REPA	U Lib
	Scenarios			
SACU	18%	20%	15%	13%
SADC	1%	1%	1%	1%
EU	46%	44%	60%	45%
ROW	36%	35%	24%	42%

DRC BALANCE OF TRADE (US$ m)

BOT with regions:	Base '95	Base '15	REPA	U Lib
	Scenarios			
SACU	-89	-98	-87	-110
SADC	-8	-10	-10	-9
EU	581	580	203	84
ROW	51	47	51	-391
Total	535	518	157	-426

DRC EXPORTS - TOTAL (US$ 000)

Av Diff US$m	% '95	SITC2	DESCRIPTION	Base '95 US$th	Base 2015 Change	Base 2015 US$th	Base 2015 Difference	REPA Change	REPA US$th	REPA Difference	Unilateral Liberalisation Change	Unilateral Liberalisation US$th	Unilateral Liberalisation Difference
1	66%	65	Textile yarn,fabrics,made-upart.,related products	851	10.9%	943	92	54.5%	1,315	464	131.4%	1,969	1,118
0	0%	07	Coffee,tea,cocoa,spices,manufactures thereof	214,897	1.0%	216,981	2,084	3.9%	223,361	8,464	-4.4%	205,472	-9,425
0	3%	69	Manufactures of metal,n.e.s.	8,730	14.4%	9,985	1,255	9.6%	9,567	837	-15.2%	7,400	-1,330
0	0%	24	Cork and wood	79,881	1.0%	80,679	798	4.0%	83,042	3,161	-4.4%	76,401	-3,480
0	6%	72	Machinery specialized for particular industries	936	9.8%	1,028	92	10.0%	1,030	94	-1.4%	923	-13
0	4%	94	Animals,live,zoo animals,dogs,cats etc.	1,186	1.5%	1,204	18	4.7%	1,241	55	5.0%	1,246	60
0	4%	03	Fish,crustaceans,molluscs,preparations thereof	1,152	1.5%	1,169	17	4.6%	1,205	53	5.0%	1,210	58
0	231%	85	Footwear	17	31.4%	22	5	163.1%	45	28	498.8%	102	85
0	4%	21	Hides,skins and furskins,raw	991	1.5%	1,006	15	4.7%	1,037	46	5.0%	1,041	50
0	0%	29	Crude animal and vegetable materials,n.e.s.	17,160	1.0%	17,326	166	3.9%	17,836	676	-4.4%	16,407	-753
0	7%	78	Road vehicles (incl. air cushion vehicles	336	9.1%	367	31	12.3%	377	41	-1.4%	331	-5
0	0%	23	Crude rubber (including synthetic and reclaimed)	10,165	1.0%	10,264	99	3.9%	10,565	400	-4.4%	9,719	-446
0	223%	84	Articles of apparel and clothing accessories	7	42.6%	10	3	167.4%	19	12	459.8%	39	32
0	3%	74	General industrial machinery & equipment,and parts	415	6.3%	441	26	6.6%	442	27	-4.3%	397	-18
0	2%	04	Cereals and cereal preparations	545	4.7%	571	26	3.3%	563	18	-1.8%	535	-10
0		99	Unclassified			5	5		5	5		4	4
0	0%	08	Feeding stuff for animals,not incl.unmil.cereals	2,527	1.0%	2,552	25	3.9%	2,627	100	-4.4%	2,416	-111
0	2%	77	Electrical machinery,apparatus & appliances n.e.s.	174	5.8%	184	10	6.1%	185	11	-4.7%	166	-8
0	0%	26	Textile fibres (except wool tops) and their wastes	1,697	1.0%	1,713	16	3.9%	1,764	67	-4.4%	1,623	-74
0	22%	59	Chemical materials and products,n.e.s.	12	25.9%	15	3	25.6%	15	3	15.1%	14	2
0	4%	79	Other transport equipment	20	6.1%	21	1	9.4%	22	2	-2.2%	20	-0
0		62	Rubber manufactures,n.e.s.			1	1		1	1		1	1
0		58	Artif.resins,plastic mat.,cellulose esters/ethers			0	0		0	0		0	0
0	0%	22	Oil seeds and oleaginous fruit	50	1.0%	50	0	3.9%	52	2	-4.4%	48	-2
-		01	Meat and meat preparations			-	-		-	-		-	-
-		02	Dairy products and birds'eggs			-	-		-	-		-	-
-		06	Sugar,sugar preparations and honey			-	-		-	-		-	-
-		09	Miscel.edible products and preparations			-	-		-	-		-	-
-		25	Pulp and waste paper			-	-		-	-		-	-
-		32	Coal,coke and briquettes			-	-		-	-		-	-
-		34	Gas,natural and manufactured			-	-		-	-		-	-
-		35	Electric current			-	-		-	-		-	-
-		41	Animal oils & fats			-	-		-	-		-	-
-		43	Animal-vegetable oils-fats,processed,and waxes			-	-		-	-		-	-
-		53	Dyeing,tanning and colouring materials			-	-		-	-		-	-
-		54	Medicinal and pharmaceutical products			-	-		-	-		-	-
-		56	Fertilizers,manufactured			-	-		-	-		-	-
-		57	Explosives & pyrotechnic products			-	-		-	-		-	-
-		61	Leather,leather manuf.,n.e.s.and dressed furskisg			-	-		-	-		-	-
-		73	Metalworking machinery			-	-		-	-		-	-
-		83	Travel goods,handbags and similair containers			-	-		-	-		-	-
-		95	Arms,of war and ammunition therefor			-	-		-	-		-	-
-		96	Coin (other than gold)			-	-		-	-		-	-
-0	-4%	11	Beverages	12	-0.5%	12	-0	-0.2%	12	-0	-9.9%	11	-1
-0	-3%	81	Sanitary,plumbing,heating and lighting fixtures	21	0.4%	21	0	0.7%	21	0	-9.1%	19	-2
-0	-7%	55	Essential oils & perfume mat.;toilet-cleansing mat	12	-5.2%	11	-1	-5.4%	11	-1	-10.4%	11	-1
-0		00	Live animals chiefly for food			-1	-1		-1	-1		-2	-2
-0	-6%	82	Furniture and parts thereof	31	-4.1%	30	-1	-4.3%	30	-1	-9.5%	28	-3
-0	-7%	64	Paper,paperboard,artc of paper,paper-pulp/board	34	-5.2%	32	-2	-5.4%	32	-2	-10.4%	30	-4
-0	-4%	75	Office machines & automatic data processing equip.	86	-0.5%	86	-0	-0.2%	86	-0	-9.9%	77	-9
-0	-4%	76	Telecommunications & sound recording apparatus	137	-0.5%	136	-1	-0.2%	137	-0	-9.9%	123	-14
-0	-4%	88	Photographic apparatus,optical goods,watches	137	-0.5%	136	-1	-0.2%	137	-0	-9.9%	123	-14
-0	-2%	71	Power generating machinery and equipment	402	1.0%	406	4	1.3%	407	5	-8.7%	367	-35
-0	-3%	87	Professional,scientific & controling instruments	282	-0.1%	282	-0	0.2%	283	1	-9.6%	255	-27
-0	-14%	67	Iron and steel	71	-2.0%	70	-1	-8.4%	65	-6	-33.0%	48	-23
-0	-4%	93	Special transactions and commodities not classified ac	366	-0.5%	364	-2	-0.2%	365	-1	-9.9%	330	-36
-0	-4%	05	Vegetables and fruit	761	-1.2%	752	-9	-1.0%	753	-8	-9.7%	687	-74
-0	-4%	89	Miscellaneous manufactured articles,n.e.s.	1,276	-0.5%	1,270	-6	-0.1%	1,274	-2	-9.9%	1,150	-126
-0	-2%	42	Fixed vegetable oils and fats	2,813	3.2%	2,902	89	2.5%	2,882	69	-10.5%	2,518	-295
-0	-7%	52	Inorganic chemicals	1,008	-5.2%	956	-52	-5.4%	954	-54	-10.4%	903	-105
-0	-7%	51	Organic chemicals	1,898	-5.2%	1,799	-99	-5.4%	1,796	-102	-10.4%	1,700	-198
-0	-4%	12	Tobacco and tobacco manufactures	3,809	-0.5%	3,789	-20	-0.2%	3,802	-7	-9.9%	3,432	-377
-1	-7%	63	Cork and wood manufactures (excl.furniture)	7,864	-5.2%	7,459	-405	-5.3%	7,444	-420	-10.4%	7,045	-819
-1	-14%	97	Gold, non-monetary (excluding gold ores and concentr	5,056	1.1%	5,111	55	-8.4%	4,631	-425	-35.5%	3,263	-1,793
-2	-18%	27	Crude fertilizers and crude materials (excl.coal)	9,690	-1.8%	9,511	-179	-12.2%	8,512	-1,178	-40.5%	5,763	-3,927
-6	-12%	28	Metalliferous ores and metal scrap	47,191	2.7%	48,472	1,281	-6.4%	44,193	-2,998	-32.7%	31,775	-15,416
-31	-14%	68	Non-ferrous metals	213,629	-2.0%	209,377	-4,252	-8.4%	195,598	-18,031	-33.1%	142,989	-70,640
-35	-23%	33	Petroleum,petroleum products and related materials	152,203	-5.3%	144,111	-8,092	-20.8%	120,532	-31,671	-43.8%	85,580	-66,623
-97	-12%	66	Non-metallic mineral manufactures,n.e.s.	822,124	0.5%	826,598	4,474	-5.6%	775,693	-46,431	-30.3%	572,983	-249,141
-171	-11%		TOTALS and Average Changes	1,612,662	-0.2%	1,610,230	-2,432	-5.4%	1,525,964	-86,698	-26.3%	1,188,693	-423,969

DRC IMPORTS - TOTAL (US$ 000)

Av Diff US$m	% '95	SITC2	DESCRIPTION	Base '95 US$th	Base 2015 Change	Base 2015 US$th	Base 2015 Difference	REPA Change	REPA US$th	REPA Difference	Unilateral Liberalisation Change	Unilateral Liberalisation US$th	Unilateral Liberalisation Difference
106	110%	65	Textile yarn,fabrics,made-upart.,related products	96,716	11.8%	108,099	11,383	76.2%	170,459	73,743	241.1%	329,857	233,141
27	27%	04	Cereals and cereal preparations	100,152	-1.6%	98,508	-1,644	43.0%	143,199	43,047	39.3%	139,463	39,311
19	75%	01	Meat and meat preparations	25,299	-1.2%	24,983	-316	164.8%	67,002	41,703	62.7%	41,160	15,861
16	26%	33	Petroleum,petroleum products and related materials	62,320	12.1%	69,889	7,569	26.8%	79,030	16,710	38.3%	86,195	23,875
15	46%	26	Textile fibres (except wool tops) and their wastes	33,201	-1.1%	32,840	-361	44.6%	47,997	14,796	94.8%	64,690	31,489
10	19%	84	Articles of apparel and clothing accessories	55,962	-3.3%	54,093	-1,869	-3.4%	54,043	-1,919	62.8%	91,102	35,140
8	61%	09	Miscel.edible products and preparations	12,528	7.0%	13,409	881	95.4%	24,483	11,955	80.7%	22,641	10,113
7	25%	64	Paper,paperboard,artic.of paper,paper-pulp/board	29,821	-1.6%	29,330	-491	35.3%	40,333	10,512	40.9%	42,023	12,202
6	26%	54	Medicinal and pharmaceutical products	24,646	-4.3%	23,590	-1,056	37.4%	33,863	9,217	45.5%	35,870	11,224
6	7%	78	Road vehicles (incl. air cushion vehicles	89,664	-1.4%	88,391	-1,273	16.3%	104,286	14,622	6.0%	95,018	5,354
6	27%	05	Vegetables and fruit	22,160	-5.0%	21,052	-1,108	36.7%	30,285	8,125	48.3%	32,854	10,694
5	16%	85	Footwear	30,014	-7.7%	27,714	-2,300	-5.8%	28,281	-1,733	62.1%	48,651	18,637
5	18%	55	*Essential oils & perfume mat.;toilet-cleansing mat*	*24781*	2.9%	25,490	709	21.8%	30,178	5,397	30.0%	32,227	7,446
4	20%	02	Dairy products and birds'eggs	18,414	3.8%	19,122	708	26.3%	23,259	4,845	31.2%	24,165	5,751
4	24%	58	Artif.resins,plastic mat.,cellulose esters/ethers	14,859	-0.2%	14,832	-27	34.9%	20,043	5,184	38.6%	20,594	5,735
3	23%	59	Chemical materials and products,n.e.s.	13,273	0.2%	13,299	26	30.6%	17,332	4,059	36.7%	18,148	4,875
3	33%	06	Sugar,sugar preparations and honey	8,771	38.9%	12,185	3,414	42.6%	12,504	3,733	16.3%	10,198	1,427
2	12%	69	Manufactures of metal,n.e.s.	19,735	-4.7%	18,810	-925	16.2%	22,932	3,197	25.5%	24,766	5,031
2	21%	66	Non-metallic mineral manufactures,n.e.s.	11,276	-6.8%	10,507	-769	38.3%	15,591	4,315	31.6%	14,838	3,562
2	3%	89	Miscellaneous manufactured articles,n.e.s.	62,555	-1.2%	61,795	-760	-0.6%	62,174	-381	11.6%	69,832	7,277
2	8%	67	Iron and steel	23,442	1.1%	23,704	262	6.2%	24,905	1,463	17.2%	27,479	4,037
2	4%	72	Machinery specialized for particular industries	43,596	0.0%	43,575	-21	5.3%	45,895	2,299	7.2%	46,738	3,142
2	9%	03	Fish,crustaceans,molluscs,preparations thereof	20,510	0.6%	20,638	128	-1.0%	20,308	-202	26.8%	26,000	5,490
2	19%	62	Rubber manufactures,n.e.s.	9,602	1.0%	9,697	95	21.8%	11,699	2,097	32.9%	12,759	3,157
2	6%	74	General industrial machinery & equipment,and parts	27,883	-1.0%	27,600	-283	12.2%	31,278	3,395	7.8%	30,053	2,170
2	61%	29	Crude animal and vegetable materials,n.e.s.	2,707	4.2%	2,820	113	91.0%	5,171	2,464	87.1%	5,065	2,358
2	23%	52	Inorganic chemicals	6,839	0.7%	6,889	50	31.7%	9,005	2,166	36.2%	9,318	2,479
1	23%	42	Fixed vegetable oils and fats	5,984	24.7%	7,463	1,479	22.5%	7,331	1,347	21.7%	7,283	1,299
1	22%	51	Organic chemicals	6,001	0.1%	6,009	8	28.3%	7,702	1,701	36.1%	8,170	2,169
1	15%	53	Dyeing,tanning and colouring materials	6,589	-0.6%	6,552	-37	13.8%	7,496	907	32.8%	8,748	2,159
1	45%	08	Feeding stuff for animals,not incl.unmil.cereals	2,134	19.1%	2,541	407	67.0%	3,565	1,431	48.9%	3,177	1,043
1	44%	07	Coffee,tea,cocoa,spices,manufactures thereof	2,166	16.5%	2,523	357	59.7%	3,460	1,294	54.4%	3,344	1,178
1	4%	77	Electrical machinery,apparatus & appliances n.e.s.	22,763	-0.9%	22,569	-194	1.1%	23,010	247	10.3%	25,106	2,343
1	6%	71	Power generating machinery and equipment	13,438	-1.3%	13,268	-170	9.7%	14,741	1,303	9.0%	14,654	1,216
1	7%	75	Office machines & automatic data processing equip.	7,552	-1.6%	7,430	-122	15.7%	8,741	1,189	8.3%	8,181	629
0	23%	82	Furniture and parts thereof	2,151	0.6%	2,165	14	32.2%	2,845	694	36.6%	2,938	787
0	14%	68	Non-ferrous metals	3,177	-4.6%	3,030	-147	20.1%	3,816	639	26.1%	4,005	828
0	1%	76	Telecommunications & sound recording apparatus	28,778	0.0%	28,765	-13	-6.4%	26,937	-1,841	10.3%	31,734	2,956
0	55%	61	Leather,leather manuf.,n.e.s.and dressed furskisg	626	-9.2%	569	-57	117.7%	1,363	737	57.3%	985	359
0	5%	87	Professional,scientific & controling instruments	6,961	-1.3%	6,869	-92	6.0%	7,375	414	10.2%	7,669	708
0	19%	56	Fertilizers,manufactured	1,467	3.9%	1,524	57	23.8%	1,816	349	29.1%	1,893	426
0	4%	11	Beverages	6,532	1.6%	6,636	104	8.8%	7,109	577	2.2%	6,678	146
0	8%	73	Metalworking machinery	3,008	-1.6%	2,960	-48	18.1%	3,551	543	7.7%	3,239	231
0	4%	88	Photographic apparatus,optical goods,watches	6,425	-1.0%	6,358	-67	0.9%	6,481	56	10.8%	7,120	695
0	63%	23	Crude rubber (including synthetic and reclaimed)	323	2.7%	332	9	94.3%	628	305	91.1%	617	294
0	2%	93	Special transactions and commodities not classified ac	10,881	-1.9%	10,671	-210	-8.7%	9,929	-952	15.5%	12,572	1,691
0	20%	32	Coal,coke and briquettes	633	-3.8%	609	-24	-3.7%	609	-24	67.6%	1,061	428
0	3%	81	Sanitary,plumbing,heating and lighting fixtures	4,151	-1.3%	4,098	-53	-1.7%	4,082	-69	12.1%	4,653	502
0	19%	63	Cork and wood manufactures (excl.furniture)	402	3.8%	417	15	23.9%	498	96	29.3%	520	118
0	28%	00	Live animals chiefly for food	250	0.4%	251	1	36.4%	341	91	47.3%	368	118
0		57	Explosives & pyrotechnic products			152	152		190	190		-171	-171
0	44%	34	Gas,natural and manufactured	74	180.3%	207	133	234.5%	248	174	-283.2%	-136	-210
0	33%	24	Cork and wood	86	37.0%	118	32	57.5%	135	49	5.1%	90	4
0	12%	22	Oil seeds and oleaginous fruit	168	186.2%	481	313	187.4%	483	315	-338.7%	-401	-569
0	1%	43	Animal-vegetable oils-fats,processed,and waxes	1,080	3.2%	1,114	34	-12.4%	946	-134	13.7%	1,228	148
0	30%	41	Animal oils & fats	40	23.9%	50	10	39.0%	56	16	27.2%	51	11
0	23%	25	Pulp and waste paper	53	-5.1%	50	-3	28.6%	68	15	44.0%	76	23
0	13%	21	Hides,skins and furskins,raw	40	2.6%	41	1	-0.4%	40	-0	38.2%	55	15
0		35	Electric current			5	5		5	5		-9	-9
-		98	Coin (other than gold)			-	-		-	-		-	-
-		97	Gold, non-monetary (excluding gold ores and concentrates)			-	-		-	-		-	-
-0	-1%	95	Arms,of war and ammunition therefor	39	-1.9%	38	-1	-18.2%	32	-7	18.0%	46	7
-0	-2%	28	Metalliferous ores and metal scrap	31	-1.1%	31	-0	-3.3%	30	-1	-0.4%	31	-0
-0		99	Unclassified			65	65		116	116		-190	-190
-0	-19%	94	Animals,live,zoo animals,dogs,cats etc.	29	-19.9%	23	-6	32.6%	38	9	-69.6%	9	-20
-0	0%	12	Tobacco and tobacco manufactures	8,710	4.1%	9,069	359	-3.6%	8,393	-317	-0.7%	8,645	-65
-0	0%	83	Travel goods,handbags and simillair containers	4,881	-1.6%	4,803	-78	-16.2%	4,088	-793	16.7%	5,696	815
-0	0%	79	Other transport equipment	24,958	-1.8%	24,507	-451	-16.8%	20,777	-4,181	17.8%	29,389	4,431
-0	-9%	27	Crude fertilizers and crude materials (excl.coal)	4,809	-1.1%	4,755	-54	-13.0%	4,182	-627	-13.6%	4,154	-655
280	26%		TOTALS and Average Changes	1,078,116	1.3%	1,091,976	13,860	27.0%	1,368,783	290,667	49.8%	1,614,980	536,864

MALAWI EXPORTS (US$ m)

Exports to regions:	Base '95	Base '15	REPA	U Lib
	Scenarios			
SACU	57	93	110	96
SADC	6	7	7	6
EU	166	166	171	161
ROW	185	185	189	178
Total	414	451	477	441

Change in exports		Base '15 Base '95	REPA Base '95	U Lib Base '95
SACU		63.7%	93.9%	69.2%
SADC		16.4%	17.6%	4.4%
EU		0.2%	2.8%	-2.9%
ROW		-0.1%	1.9%	-4.1%
Total		9.1%	15.2%	6.6%

Sharo in exports	Base '95	Base '15	REPA	U Lib
	Scenarios			
SACU	14%	21%	23%	22%
SADC	1%	1%	1%	1%
EU	40%	37%	36%	37%
ROW	45%	41%	40%	40%

MALAWI IMPORTS (US$ m)

Imports from:	Base '95	Base '15	REPA	U Lib
	Scenarios			
SACU	183	215	193	186
SADC	51	57	52	49
EU	87	84	119	108
ROW	67	66	56	104
Total	388	422	420	447

MALAWI BALANCE OF TRADE (US$ m)

BOT with regions:	Base '95	Base '15	REPA	U Lib
	Scenarios			
SACU	-126	-121	-83	-90
SADC	-46	-50	-45	-43
EU	79	82	52	53
ROW	118	119	132	74
Total	26	30	57	-6

Change in BOT		Base '15 Base '95	REPA Base '95	U Lib Base '95
SACU		-3.5%	-34.1%	-28.7%
SADC		9.4%	-2.1%	-5.0%
EU		3.6%	-34.4%	-32.9%
ROW		1.0%	12.5%	-37.1%
Total		15.8%	122.3%	-122.9%

BOT shares	Base '95	Base '15	REPA	U Lib
	Scenarios			
SACU	-492%	-410%	-146%	1532%
SADC	-179%	-169%	-79%	743%
EU	311%	278%	92%	-911%
ROW	460%	402%	233%	-1265%

MALAWI EXPORTS - TOTAL (US$ 000)

Av Diff US$m	% '95	SITC2	DESCRIPTION	Base '95 US$th	Base 2015 Change	Base 2015 US$th	Base 2015 Difference	REPA Change	REPA US$th	REPA Difference	Unilateral Liberalisation Change	Unilateral Liberalisation US$th	Unilateral Liberalisation Difference
39	168%	84	Articles of apparel and clothing accessories	23,254	121.3%	51,453	28,199	197.8%	69,251	45,997	185.3%	66,345	43,091
9	56%	65	Textile yarn,fabrics,made-upart.,related products	16,481	26.6%	20,873	4,392	58.0%	26,046	9,565	83.6%	30,263	13,782
1	38%	63	Cork and wood manufactures (excl.furniture)	2,117	42.4%	3,015	898	42.1%	3,009	892	28.7%	2,724	607
1	14%	05	Vegetables and fruit	5,406	18.3%	6,395	989	18.3%	6,398	992	3.9%	5,615	209
0	1%	07	Coffee,tea,cocoa,spices,manufactures thereof	47,105	1.6%	47,878	773	4.4%	49,160	2,055	-3.7%	45,353	-1,752
0	17%	76	Telecommunications & sound recording apparatus	1,240	21.5%	1,506	266	21.6%	1,507	267	8.3%	1,343	103
0	34%	78	Road vehicles (incl. air cushion vehicles	423	45.9%	617	194	47.9%	626	203	8.2%	458	35
0	5%	26	Textile fibres (except wool tops) and their wastes	2,461	6.5%	2,620	159	7.4%	2,643	182	1.1%	2,487	26
0	4%	23	Crude rubber (including synthetic and reclaimed)	2,218	5.7%	2,344	126	6.9%	2,371	153	0.3%	2,224	6
0	5%	22	Oil seeds and oleaginous fruit	1,257	6.5%	1,339	82	7.5%	1,351	94	1.1%	1,271	14
0	37%	82	Furniture and parts thereof	136	41.4%	192	56	41.1%	192	56	27.9%	174	38
0	5%	08	Feeding stuff for animals,not incl.unmil.cereals	980	6.6%	1,045	65	7.5%	1,053	73	1.2%	992	12
0	8%	71	Power generating machinery and equipment	534	11.9%	597	63	12.1%	598	64	0.3%	536	2
0	24%	51	Organic chemicals	135	28.2%	173	38	28.0%	173	38	17.0%	158	23
0	5%	24	Cork and wood	625	6.5%	666	41	7.4%	671	46	1.1%	632	7
0		95	Arms,of war and ammunition therefor			33	33		33	33		27	27
0	42%	59	Chemical materials and products,n.e.s.	55	47.3%	81	26	47.0%	81	26	32.7%	73	18
0	42%	58	Artif.resins,plastic mat.,cellulose esters/ethers	54	47.1%	79	25	46.8%	79	25	32.5%	72	18
0	42%	52	Inorganic chemicals	52	46.4%	76	24	46.2%	76	24	32.0%	69	17
0	20%	72	Machinery specialized for particular industries	99	24.6%	123	24	24.6%	123	24	10.8%	110	11
0	11%	69	Manufactures of metal,n.e.s.	177	21.6%	215	38	17.6%	208	31	-7.3%	164	-13
0	41%	56	Fertilizers,manufactured	41	46.4%	60	19	46.1%	60	19	31.9%	54	13
0	35%	79	Other transport equipment	46	47.4%	68	22	49.2%	69	23	8.5%	50	4
0	3%	03	Fish,crustaceans,mollucs,preparations thereof	410	1.3%	416	6	4.4%	428	18	4.6%	429	19
0	42%	54	Medicinal and pharmaceutical products	29	46.6%	43	14	46.3%	42	13	32.2%	38	9
0	2%	28	Metalliferous ores and metal scrap	481	13.5%	546	65	7.4%	517	36	-14.0%	414	-67
0	2%	21	Hides,skins and furskins,raw	570	0.6%	573	3	2.9%	587	17	2.2%	583	13
0	0%	29	Crude animal and vegetable materials,n.e.s.	3,103	1.1%	3,138	35	4.0%	3,228	125	-4.2%	2,972	-131
0	42%	55	Essential oils & perfume mat.;toilet-cleansing mat	21	47.4%	31	10	47.1%	31	10	32.8%	28	7
0	17%	74	General industrial machinery & equipment,and parts	53	20.9%	64	11	21.0%	64	11	7.9%	57	4
0	4%	89	Miscellaneous manufactured articles,n.e.s.	216	7.3%	232	16	7.5%	232	16	-3.5%	209	-7
0	163%	85	Footwear	5	129.3%	11	6	200.9%	15	10	157.5%	13	8
0	15%	68	Non-ferrous metals	49	25.4%	61	12	21.7%	60	11	-3.2%	47	-2
0	41%	25	Pulp and waste paper	15	46.4%	22	7	46.1%	22	7	31.9%	20	5
0	12%	87	Professional,scientific & controling instruments	43	16.1%	50	7	16.3%	50	7	3.9%	45	2
0	4%	09	Miscel.edible products and preparations	83	5.3%	87	4	6.7%	89	6	-0.1%	83	-0
0	23%	11	Beverages	8	28.0%	10	2	28.0%	10	2	13.7%	9	1
0	22%	67	Iron and steel	6	32.6%	8	2	29.6%	8	2	4.6%	6	0
0		53	Dyeing,tanning and colouring materials			1	1		1	1		1	1
0		73	Metalworking machinery			0	0		0	0		0	0
0		88	Photographic apparatus,optical goods,watches			0	0		0	0		0	0
0		81	Sanitary,plumbing,heating and lighting fixtures			0	0		0	0		0	0
0		62	Rubber manufactures,n.e.s.			0	0		0	0		0	0
0		33	Petroleum,petroleum products and related materials			0	0		0	0		0	0
-		00	Live animals chiefly for food			-	-		-	-		-	-
-		02	Dairy products and birds'eggs			-	-		-	-		-	-
-		32	Coal,coke and briquettes			-	-		-	-		-	-
-		34	Gas,natural and manufactured			-	-		-	-		-	-
-		35	Electric current			-	-		-	-		-	-
-		41	Animal oils & fats			-	-		-	-		-	-
-		43	Animal-vegetable oils-fats,processed,and waxes			-	-		-	-		-	-
-		57	Explosives & pyrotechnic products			-	-		-	-		-	-
-		61	Leather,leather manuf.,n.e.s.and dressed furskisg			-	-		-	-		-	-
-		94	Animals,live,zoo animals,dogs,cats etc.			-	-		-	-		-	-
-		96	Coin (other than gold)			-	-		-	-		-	-
-		97	Gold, non-monetary (excluding gold ores and concentrates)			-	-		-	-		-	-
-0	0%	64	Paper,paperboard,artic.of paper,paper-pulp/board	109	1.8%	111	2	1.6%	111	2	-4.7%	104	-5
-0	-1%	75	Office machines & automatic data processing equip.	84	2.2%	86	2	2.5%	86	2	-7.7%	78	-6
-0	-4%	83	Travel goods,handbags and similair containers	44	-0.5%	44	-0	-0.2%	44	-0	-9.9%	40	-4
-0	-1%	77	Electrical machinery,apparatus & appliances n.e.s.	238	1.9%	243	5	2.3%	243	5	-7.9%	219	-19
-0	-7%	66	Non-metallic mineral manufactures,n.e.s.	43	4.8%	45	2	-0.9%	43	-0	-25.6%	32	-11
-0	-17%	01	Meat and meat preparations	20	2.5%	21	1	-13.0%	17	-3	-41.5%	12	-8
-0	-6%	42	Fixed vegetable oils and fats	139	-1.7%	137	-2	-2.5%	136	-3	-14.2%	119	-20
-0	-18%	27	Crude fertilizers and crude materials (excl.coal)	59	-1.9%	58	-1	-12.3%	52	-7	-40.7%	35	-24
-0	-4%	93	Special transactions and commodities not classified ac	1,623	-0.5%	1,615	-8	-0.2%	1,620	-3	-9.9%	1,462	-161
-0	-34%	04	Cereals and cereal preparations	1,163	-29.2%	824	-339	-29.9%	815	-348	-42.8%	665	-498
-1	-6%	06	Sugar,sugar preparations and honey	7,977	-0.7%	7,922	-55	-2.0%	7,819	-158	-16.7%	6,646	-1,331
-1	-3%	99	Unclassified	28,402	0.1%	28,423	21	0.4%	28,520	118	-9.4%	25,728	-2,674
-7	-3%	12	Tobacco and tobacco manufactures	263,965	0.4%	265,085	1,120	0.8%	265,976	2,011	-9.1%	239,876	-24,089
43	10%		TOTALS and Average Changes	413,854	9.1%	451,358	37,504	15.2%	476,645	62,791	6.6%	441,163	27,309

MALAWI IMPORTS - TOTAL (US$ 000)

Av Diff US$m	% '95	SITC2	DESCRIPTION	Base '95 US$th	Base 2015 Change	Base 2015 US$th	Base 2015 Difference	REPA Change	REPA US$th	REPA Difference	Unilateral Liberalisation Change	Unilateral Liberalisation US$th	Unilateral Liberalisation Difference
18	119%	65	Textile yarn,fabrics,made-upart.,related products	14,722	67.8%	24,709	9,987	85.9%	27,374	12,652	203.9%	44,739	30,017
3	11%	56	Fertilizers,manufactured	27,140	13.6%	30,830	3,690	9.1%	29,598	2,458	10.0%	29,859	2,719
3	15%	64	Paper,paperboard,artic.of paper,paper-pulp/board	17,590	9.4%	19,248	1,658	15.9%	20,381	2,791	18.4%	20,820	3,230
3	43%	84	Articles of apparel and clothing accessories	5,831	35.2%	7,885	2,054	26.3%	7,363	1,532	68.7%	9,837	4,006
3	5%	78	Road vehicles (incl. air cushion vehicles	47,668	9.4%	52,170	4,502	5.6%	50,351	2,683	0.7%	47,983	315
2	21%	33	Petroleum,petroleum products and related materials	8,303	17.3%	9,739	1,436	17.6%	9,768	1,465	26.8%	10,524	2,221
2	21%	54	Medicinal and pharmaceutical products	7,839	1.0%	7,920	81	26.7%	9,930	2,091	34.3%	10,526	2,687
2	34%	85	Footwear	4,640	22.6%	5,690	1,050	13.1%	5,248	608	66.9%	7,744	3,104
2	11%	69	Manufactures of metal,n.e.s.	14,457	10.6%	15,991	1,534	13.5%	16,403	1,946	7.6%	15,555	1,098
1	12%	59	Chemical materials and products,n.e.s.	11,353	10.9%	12,590	1,237	11.0%	12,598	1,245	14.7%	13,017	1,664
1	29%	42	Fixed vegetable oils and fats	4,117	44.5%	5,951	1,834	23.4%	5,082	965	18.9%	4,895	778
1	5%	76	Telecommunications & sound recording apparatus	15,367	-1.2%	15,188	-179	6.2%	16,316	949	9.7%	16,862	1,495
1	11%	58	Artif.resins,plastic mat.,cellulose esters/ethers	6,594	11.1%	7,328	734	9.2%	7,202	608	13.8%	7,503	909
1	16%	02	Dairy products and birds'eggs	4,286	18.9%	5,095	809	8.5%	4,650	364	21.4%	5,205	919
1	36%	26	Textile fibres (except wool tops) and their wastes	1,881	7.4%	2,020	139	29.1%	2,429	548	73.0%	3,254	1,373
1	11%	55	Essential oils & perfume mat.;toilet-cleansing mat	5,365	12.5%	6,035	670	9.1%	5,851	486	11.7%	5,992	627
1	10%	62	Rubber manufactures,n.e.s.	5,696	9.5%	6,236	540	4.5%	5,953	257	14.8%	6,541	845
1	102%	01	Meat and meat preparations	514	186.2%	1,471	957	88.8%	971	457	32.3%	680	166
1	29%	09	Miscel.edible products and preparations	1,723	26.5%	2,179	456	34.2%	2,312	589	27.8%	2,202	479
0	4%	67	Iron and steel	11,189	15.3%	12,906	1,717	-2.5%	10,905	-284	-0.5%	11,137	-52
0	2%	72	Machinery specialized for particular industries	19,583	2.3%	20,033	450	2.1%	19,994	411	2.2%	20,023	440
0	9%	66	Non-metallic mineral manufactures,n.e.s.	4,673	12.7%	5,269	596	10.4%	5,159	486	4.7%	4,890	217
0	28%	08	Feeding stuff for animals,not incl.unmil.cereals	1,282	27.3%	1,632	350	32.0%	1,692	410	25.6%	1,610	328
0	15%	82	Furniture and parts thereof	2,339	7.1%	2,505	166	15.5%	2,701	362	21.8%	2,848	509
0	4%	75	Office machines & automatic data processing equip.	8,573	0.5%	8,619	46	5.3%	9,030	457	5.8%	9,067	494
0	12%	51	Organic chemicals	2,526	11.5%	2,816	290	11.5%	2,816	290	13.9%	2,878	352
0	2%	77	Electrical machinery,apparatus & appliances n.e.s.	15,534	2.6%	15,940	406	1.7%	15,797	263	1.6%	15,779	245
0	19%	05	Vegetables and fruit	1,330	19.3%	1,587	257	12.0%	1,490	160	26.7%	1,686	356
0	11%	52	Inorganic chemicals	2,167	13.5%	2,459	292	8.4%	2,350	183	10.0%	2,384	217
0	28%	07	Coffee,tea,cocoa,spices,manufactures thereof	818	27.5%	1,043	225	32.0%	1,080	262	25.0%	1,023	205
0	11%	53	Dyeing,tanning and colouring materials	1,872	18.5%	2,218	346	12.0%	2,096	224	3.6%	1,939	67
0	27%	29	Crude animal and vegetable materials,n.e.s.	775	27.9%	991	216	29.1%	1,000	225	23.8%	960	185
0	34%	06	Sugar,sugar preparations and honey	552	39.1%	768	216	42.8%	788	236	20.3%	664	112
0	4%	71	Power generating machinery and equipment	5,058	1.2%	5,120	62	5.3%	5,328	270	4.0%	5,262	204
0	1%	89	Miscellaneous manufactured articles,n.e.s.	20,572	1.8%	20,947	375	-4.4%	19,668	-904	5.1%	21,628	1,056
0	4%	88	Photographic apparatus,optical goods,watches	3,966	0.1%	3,971	5	5.7%	4,193	227	6.7%	4,230	264
0	5%	87	Professional,scientific & controling instruments	3,330	0.1%	3,334	4	8.5%	3,613	283	5.9%	3,527	197
0	1%	74	General industrial machinery & equipment,and parts	14,089	4.9%	14,775	686	2.8%	14,483	394	-4.3%	13,489	-600
0	103%	61	Leather,leather manuf.,n.e.s.and dressed furskisg	106	116.3%	229	123	111.0%	224	118	80.3%	191	85
0	8%	79	Other transport equipment	1,288	2.8%	1,324	36	18.0%	1,520	232	1.9%	1,312	24
0	5%	68	Non-ferrous metals	1,366	14.2%	1,560	194	-0.4%	1,361	-5	1.2%	1,382	16
0	9%	63	Cork and wood manufactures (excl.furniture)	713	10.3%	787	74	4.3%	743	30	13.5%	809	96
0	10%	03	Fish,crustaceans,molluc,preparations thereof	419	1.0%	423	4	-0.3%	418	-1	29.4%	542	123
0	0%	93	Special transactions and commodities not classified ac	7,765	-1.9%	7,615	-150	-14.0%	6,681	-1,084	16.9%	9,078	1,313
0	5%	73	Metalworking machinery	508	2.5%	521	13	13.0%	574	66	-1.1%	502	-6
0	29%	41	Animal oils & fats	70	45.4%	102	32	22.6%	86	16	18.5%	83	13
0	27%	24	Cork and wood	75	28.9%	97	22	29.3%	97	22	21.5%	91	16
0	28%	23	Crude rubber (including synthetic and reclaimed)	58	13.2%	66	8	13.5%	66	8	57.4%	91	33
0	27%	22	Oil seeds and oleaginous fruit	48	28.4%	62	14	28.8%	62	14	22.6%	59	11
0	21%	32	Coal,coke and briquettes	49	17.6%	58	9	17.8%	58	9	26.2%	62	13
0	13%	94	Animals,live,zoo animals,dogs,cats etc.	73	2.6%	75	2	-0.4%	73	-0	38.2%	101	28
0		57	Explosives & pyrotechnic products			20	20		25	25		-23	-23
0	2%	43	Animal-vegetable oils-fats,processed,and waxes	350	8.2%	379	29	-15.1%	297	-53	12.0%	392	42
0		34	Gas,natural and manufactured			0	0		0	0		-1	-1
-		25	Pulp and waste paper			-	-		-	-		-	-
-		35	Electric current			-	-		-	-		-	-
-		96	Coin (other than gold)			-	-		-	-		-	-
-		97	Gold, non-monetary (excluding gold ores and concentrates)			-	-		-	-		-	-
-0		95	Arms,of war and ammunition therefor			1	1		1	1		-1	-1
-0		28	Metalliferous ores and metal scrap			-0	-0		0	0		-0	-0
-0	-4%	21	Hides,skins and furskins,raw	13	-3.9%	12	-1	-5.4%	12	-1	-1.3%	13	-0
-0	-1%	83	Travel goods,handbags and similair containers	591	-0.8%	586	-5	-15.7%	498	-93	14.6%	677	86
-0	0%	11	Beverages	2,491	5.7%	2,634	143	-1.5%	2,454	-37	-5.3%	2,360	-131
-0		99	Unclassified			201	201		359	359		-590	-590
-0	-1%	81	Sanitary,plumbing,heating and lighting fixtures	1,790	3.7%	1,857	67	-7.1%	1,663	-127	1.1%	1,810	20
-0	-1%	12	Tobacco and tobacco manufactures	1,511	6.5%	1,609	98	-3.3%	1,462	-49	-6.6%	1,411	-100
-0	-8%	00	Live animals chiefly for food	251	-5.8%	237	-14	-6.8%	234	-17	-12.9%	219	-32
-0	-12%	27	Crude fertilizers and crude materials (excl.coal)	1,190	-1.1%	1,176	-14	-16.6%	992	-198	-19.4%	959	-231
-6	-15%	04	Cereals and cereal preparations	42,274	-17.3%	34,944	-7,330	-15.0%	35,938	-6,336	-13.1%	36,720	-5,554
41	11%		TOTALS and Average Changes	388,313	8.6%	421,781	33,468	8.1%	419,860	31,547	15.1%	447,014	58,701

MAURITIUS EXPORTS (US$ m)

Exports to regions:	Scenarios Base '95	Base '15	REPA	U Lib
SACU	10	13	13	11
SADC	15	19	21	19
EU	1,354	1,597	2,621	5,162
ROW	161	177	246	399
Total	1,541	1,807	2,902	5,592

Change in exports		Base '15 Base '95	REPA Base '95	U Lib Base '95
SACU		27.2%	28.6%	7.5%
SADC		33.3%	46.7%	29.1%
EU		17.9%	93.5%	281.2%
ROW		9.8%	52.5%	147.2%
Total		17.3%	88.3%	262.9%

Share in exports	Scenarios Base '95	Base '15	REPA	U Lib
SACU	1%	1%	0%	0%
SADC	1%	1%	1%	0%
EU	88%	88%	90%	92%
ROW	10%	10%	8%	7%

MAURITIUS IMPORTS (US$ m)

Imports from:	Scenarios Base '95	Base '15	REPA	U Lib
SACU	181	216	198	193
SADC	9	11	10	10
EU	817	800	1,351	1,241
ROW	1,013	1,005	920	2,115
Total	2,022	2,032	2,480	3,560

Change in imports		Base '15 Base '95	REPA Base '95	U Lib Base '95
SACU		19.1%	9.4%	6.4%
SADC		17.9%	10.8%	10.6%
EU		-2.2%	65.3%	51.8%
ROW		-0.8%	-9.3%	108.7%
Total		0.5%	22.7%	76.1%

Share in imports	Scenarios Base '95	Base '15	REPA	U Lib
SACU	9%	11%	8%	5%
SADC	0%	1%	0%	0%
EU	40%	39%	54%	35%
ROW	50%	49%	37%	59%

MAURITIUS BALANCE OF TRADE (US$ m)

BOT with regions:	Scenarios Base '95	Base '15	REPA	U Lib
SACU	-171	-203	-185	-182
SADC	5	9	11	9
EU	537	797	1,269	3,922
ROW	-852	-828	-673	-1,716
Total	-481	-225	422	2,032

MAURITIUS EXPORTS - TOTAL (US$ 000)

Av Diff US$m	% '95	SITC2	DESCRIPTION	Base '95 US$th	Base 2015 Change	Base 2015 US$th	Base 2015 Difference	REPA Change	REPA US$th	REPA Difference	Unilateral Liberalisation Change	Unilateral Liberalisation US$th	Unilateral Liberalisation Difference
1,871	231%	84	Articles of apparel and clothing accessories	810,007	31.5%	1,064,898	254,891	163.1%	2,130,985	1,320,978	498.5%	4,847,720	4,037,713
49	64%	65	Textile yarn,fabrics,made-upart.,related products	77,205	13.9%	87,962	10,757	55.2%	119,808	42,603	122.1%	171,485	94,280
4	231%	61	Leather,leather manuf.,n.e.s.and dressed furskisg	1,609	31.4%	2,114	505	163.1%	4,232	2,623	498.8%	9,634	8,025
3	219%	85	Footwear	1,295	48.5%	1,923	628	169.7%	3,492	2,197	439.0%	6,980	5,685
1	4%	03	Fish,crustaceans,mollucs,preparations thereof	37,812	1.5%	38,371	559	4.6%	39,567	1,755	5.0%	39,715	1,903
0	4%	94	Animals,live,zoo animals,dogs,cats etc.	5,236	1.5%	5,314	78	4.7%	5,480	244	5.0%	5,500	264
0	2%	72	Machinery specialized for particular industries	7,585	5.1%	7,973	388	5.4%	7,994	409	-5.2%	7,187	-398
0	10%	78	Road vehicles (incl. air cushion vehicles	910	13.5%	1,033	123	16.6%	1,061	151	-0.3%	907	-3
0	20%	58	Artif.resins,plastic mat.,cellulose esters/ethers	339	23.6%	419	80	23.4%	418	79	13.3%	384	45
0	9%	59	Chemical materials and products,n.e.s.	694	12.3%	779	85	12.0%	777	83	3.9%	721	27
0	10%	51	Organic chemicals	509	12.7%	574	65	12.5%	572	63	4.2%	531	22
0	12%	42	Fixed vegetable oils and fats	366	17.6%	430	64	16.9%	428	62	0.6%	368	2
0	5%	53	Dyeing,tanning and colouring materials	729	7.5%	784	55	7.3%	782	53	0.0%	729	0
0	15%	62	Rubber manufactures,n.e.s.	233	18.6%	276	43	18.3%	276	43	9.1%	254	21
0	5%	97	Gold, non-monetary (excluding gold ores and concentr	600	15.9%	695	95	10.4%	663	63	-9.9%	540	-60
0	3%	77	Electrical machinery,apparatus & appliances n.e.s.	1,049	6.5%	1,117	68	6.8%	1,120	71	-4.1%	1,006	-43
0	2%	26	Textile fibres (except wool tops) and their wastes	1,608	3.0%	1,656	48	5.2%	1,692	84	-2.4%	1,570	-38
0		99	Unclassified			25	25		25	25		21	21
0	0%	08	Feeding stuff for animals,not incl.unmil.cereals	4,070	1.2%	4,119	49	4.1%	4,236	166	-4.2%	3,901	-169
0	0%	29	Crude animal and vegetable materials,n.e.s.	7,980	1.0%	8,058	78	3.9%	8,294	314	-4.4%	7,630	-350
0	24%	43	Animal-vegetable oils-fats,processed,and waxes	44	30.3%	57	13	29.8%	57	13	10.4%	49	5
0	0%	07	Coffee,tea,cocoa,spices,manufactures thereof	3,924	1.0%	3,963	39	4.0%	4,079	155	-4.4%	3,753	-171
0	2%	00	Live animals chiefly for food	109	0.5%	110	1	2.8%	112	3	2.0%	111	2
0	3%	24	Cork and wood	22	4.3%	23	1	6.0%	23	1	-1.1%	22	-0
0	0%	09	Miscel.edible products and preparations	207	1.0%	209	2	4.0%	215	8	-4.3%	198	-9
0	0%	22	Oil seeds and oleaginous fruit	81	1.0%	82	1	3.9%	84	3	-4.4%	77	-4
0		23	Crude rubber (including synthetic and reclaimed)			0	0		0	0		0	0
-		21	Hides,skins and furskins,raw			-	-		-	-		-	-
-		32	Coal,coke and briquettes			-	-		-	-		-	-
-		35	Electric current			-	-		-	-		-	-
-		41	Animal oils & fats			-	-		-	-		-	-
-		57	Explosives & pyrotechnic products			-	-		-	-		-	-
-		93	Special transactions and commodities not classified according to kind			-	-		-	-		-	-
-		95	Arms,of war and ammunition therefor			-	-		-	-		-	-
-		96	Coin (other than gold)			-	-		-	-		-	-
-0	0%	25	Pulp and waste paper	518	2.1%	529	11	1.9%	528	10	-4.4%	495	-23
-0	-4%	81	Sanitary,plumbing,heating and lighting fixtures	43	-0.5%	43	-0	-0.2%	43	-0	-9.9%	39	-4
-0	-4%	12	Tobacco and tobacco manufactures	56	-0.5%	56	-0	-0.2%	56	-0	-9.9%	50	-6
-0	-11%	34	Gas,natural and manufactured	21	-1.9%	21	-0	-9.4%	19	-2	-21.9%	16	-5
-0	-18%	27	Crude fertilizers and crude materials (excl.coal)	14	-1.9%	14	-0	-12.2%	12	-2	-40.7%	8	-6
-0	-7%	52	Inorganic chemicals	56	-5.2%	53	-3	-5.4%	53	-3	-10.4%	50	-6
-0	-8%	68	Non-ferrous metals	65	4.5%	68	3	-1.3%	64	-1	-26.0%	48	-17
-0	-7%	02	Dairy products and birds'eggs	86	-2.2%	84	-2	-4.7%	82	-4	-12.8%	75	-11
-0	-3%	73	Metalworking machinery	174	-0.4%	173	-1	-0.1%	174	-0	-9.8%	157	-17
-0	-3%	71	Power generating machinery and equipment	255	-0.1%	255	-0	0.2%	256	1	-9.6%	231	-24
-0	-9%	67	Iron and steel	105	2.8%	108	3	-3.2%	102	-3	-27.9%	76	-29
-0	-2%	76	Telecommunications & sound recording apparatus	803	1.1%	812	9	1.4%	814	11	-8.6%	734	-69
-0	-22%	33	Petroleum,petroleum products and related materials	87	-4.9%	83	-4	-19.5%	70	-17	-41.3%	51	-36
-0	0%	74	General industrial machinery & equipment,and parts	4,684	2.8%	4,814	130	3.1%	4,829	145	-7.2%	4,348	-336
-0	-3%	75	Office machines & automatic data processing equip.	863	0.4%	866	3	0.7%	869	6	-9.2%	784	-79
-0	-3%	82	Furniture and parts thereof	859	-1.0%	851	-8	-1.2%	849	-10	-7.0%	799	-60
-0	-2%	11	Beverages	1,836	1.3%	1,860	24	1.6%	1,866	30	-8.4%	1,682	-154
-0	-2%	54	Medicinal and pharmaceutical products	2,246	0.3%	2,252	6	0.1%	2,248	2	-6.0%	2,112	-134
-0	-4%	05	Vegetables and fruit	1,130	-1.3%	1,116	-14	-1.1%	1,118	-12	-9.7%	1,020	-110
-0	-6%	55	Essential oils & perfume mat ;toilet-cleansing mat	1,053	-4.1%	1,010	-43	-4.3%	1,008	-45	-9.5%	953	-100
-0	0%	79	Other transport equipment	18,133	-0.5%	18,051	-82	3.1%	18,686	553	-3.9%	17,418	-715
-0	-1%	87	Professional,scientific & controling instruments	6,811	1.9%	6,943	132	2.3%	6,965	154	-7.9%	6,275	-536
-0	-6%	64	Paper,paperboard,artic.of paper,paper-pulp/board	1,368	-4.3%	1,309	-59	-4.5%	1,306	-62	-9.7%	1,235	-133
-0	-6%	63	Cork and wood manufactures (excl.furniture)	1,702	-4.1%	1,632	-70	-4.3%	1,629	-73	-9.6%	1,539	-163
-0	-4%	83	Travel goods,handbags and simillair containers	4,641	-0.5%	4,617	-24	-0.2%	4,633	-8	-9.9%	4,181	-460
-0	-14%	69	Manufactures of metal,n.e.s.	1,800	-1.2%	1,778	-22	-7.6%	1,664	-136	-32.2%	1,220	-580
-0	-5%	56	Fertilizers,manufactured	5,939	-3.2%	5,749	-190	-3.4%	5,738	-201	-8.8%	5,417	-522
-0	-15%	04	Cereals and cereal preparations	2,590	-10.5%	2,318	-272	-12.1%	2,277	-313	-23.0%	1,995	-595
-0	-18%	28	Metalliferous ores and metal scrap	2,772	-1.3%	2,735	-37	-11.5%	2,453	-319	-39.7%	1,673	-1,099
-1	-4%	88	Photographic apparatus,optical goods,watches	41,925	-0.5%	41,720	-205	-0.1%	41,866	-59	-9.9%	37,782	-4,143
-2	-3%	89	Miscellaneous manufactured articles,n.e.s.	50,642	0.0%	50,624	-18	0.3%	50,798	156	-9.5%	45,828	-4,814
-3	-17%	01	Meat and meat preparations	14,543	2.5%	14,914	371	-13.0%	12,655	-1,888	-41.4%	8,518	-6,025
-3	-10%	66	Non-metallic mineral manufactures,n.e.s.	33,309	2.3%	34,070	761	-3.7%	32,067	-1,242	-28.4%	23,847	-9,462
-25	-7%	06	Sugar,sugar preparations and honey	375,446	-0.7%	372,735	-2,711	-2.1%	367,689	-7,757	-17.4%	310,038	-65,408
1893	123%		TOTALS and Average Changes	1,540,798	17.3%	1,807,225	266,427	88.3%	2,901,958	1,361,160	262.9%	5,591,688	4,050,890

MAURITIUS IMPORTS - TOTAL (US$ 000)

Av Diff US$m	% '95	SITC2	DESCRIPTION	Base '95 US$th	Base 2015 Change	Base 2015 US$th	Base 2015 Difference	REPA Change	REPA US$th	REPA Difference	Unilateral Liberalisation Change	Unilateral Liberalisation US$th	Unilateral Liberalisation Difference
476	105%	65	Textile yarn,fabrics,made-upart.,related products	452,704	6.6%	482,371	29,667	64.2%	743,118	290,414	244.9%	1,561,441	1,108,737
17	21%	33	Petroleum,petroleum products and related materials	84,312	-0.2%	84,181	-131	1.6%	85,659	1,347	60.7%	135,523	51,211
15	23%	04	Cereals and cereal preparations	64,437	-0.7%	64,009	-428	30.7%	84,221	19,784	39.6%	89,943	25,506
11	8%	79	Other transport equipment	138,163	-2.2%	135,073	-3,090	21.2%	167,473	29,310	4.9%	144,999	6,836
11	33%	26	Textile fibres (except wool tops) and their wastes	31,839	0.3%	31,950	111	11.0%	35,347	3,508	87.9%	59,821	27,982
10	10%	66	Non-metallic mineral manufactures,n.e.s.	95,387	-9.4%	86,382	-9,005	9.6%	104,535	9,148	29.8%	123,822	28,435
9	28%	01	Meat and meat preparations	32,457	-1.9%	31,846	-611	22.2%	39,662	7,205	62.2%	52,660	20,203
7	46%	09	Miscel.edible products and preparations	15,850	4.6%	16,574	724	52.3%	24,138	8,288	82.1%	28,865	13,015
7	27%	03	Fish,crustaceans,mollucs,preparations thereof	27,057	2.1%	27,639	582	26.0%	34,098	7,041	51.3%	40,951	13,894
7	22%	54	Medicinal and pharmaceutical products	31,049	-3.7%	29,909	-1,140	28.6%	39,930	8,881	42.0%	44,075	13,026
6	14%	02	Dairy products and birds'eggs	45,082	0.2%	45,158	76	7.0%	48,234	3,152	33.5%	60,203	15,121
6	15%	64	Paper,paperboard,artic.of paper,paper-pulp/board	37,524	1.1%	37,939	415	14.2%	42,846	5,322	30.4%	48,926	11,402
6	21%	84	Articles of apparel and clothing accessories	27,313	-7.8%	25,176	-2,137	8.0%	29,496	2,183	61.6%	44,126	16,813
5	42%	61	Leather,leather manuf.,n.e.s.and dressed furskisg	10,768	-7.3%	9,980	-788	74.7%	18,807	8,039	59.2%	17,142	6,374
4	17%	05	Vegetables and fruit	25,875	7.9%	27,908	2,033	10.1%	28,491	2,616	32.9%	34,383	8,508
4	10%	69	Manufactures of metal,n.e.s.	43,470	-4.9%	41,319	-2,151	10.2%	47,903	4,433	24.8%	54,246	10,776
4	4%	89	Miscellaneous manufactured articles,n.e.s.	106,362	-1.5%	104,763	-1,599	1.4%	107,801	1,439	11.8%	118,943	12,581
4	46%	08	Feeding stuff for animals,not incl.unmil.cereals	8,937	1.8%	9,095	158	46.7%	13,112	4,175	88.2%	16,821	7,884
4	30%	24	Cork and wood	12,527	2.8%	12,879	352	5.3%	13,194	667	81.4%	22,724	10,197
4	21%	55	Essential oils & perfume mat.;toilet-cleansing mat	17,031	-1.3%	16,817	-214	27.1%	21,638	4,607	37.8%	23,476	6,445
4	5%	72	Machinery specialized for particular industries	74,680	-1.5%	73,563	-1,117	5.1%	78,461	3,781	10.8%	82,770	8,090
3	16%	59	Chemical materials and products,n.e.s.	21,779	0.5%	21,883	104	14.6%	24,955	3,176	31.5%	28,629	6,850
3	14%	58	Artif.resins,plastic mat.,cellulose esters/ethers	23,914	0.4%	24,006	92	11.0%	26,545	2,631	30.5%	31,209	7,295
3	16%	53	Dyeing,tanning and colouring materials	18,347	-2.6%	17,878	-469	15.4%	21,171	2,824	36.3%	25,001	6,654
3	28%	97	Gold, non-monetary (excluding gold ores and concentr	10,645	-1.0%	10,535	-110	53.2%	16,308	5,663	32.2%	14,068	3,423
3	18%	06	Sugar,sugar preparations and honey	14,500	14.3%	16,579	2,079	18.3%	17,150	2,650	22.5%	17,758	3,258
3	3%	78	Road vehicles (incl. air cushion vehicles	84,930	-0.7%	84,342	-588	-1.5%	83,640	-1,290	11.5%	94,738	9,808
3	34%	07	Coffee,tea,cocoa,spices,manufactures thereof	7,452	20.4%	8,974	1,522	39.8%	10,420	2,968	42.8%	10,645	3,193
2	5%	67	Iron and steel	48,630	4.3%	50,702	2,072	-1.3%	48,016	-614	12.4%	54,655	6,025
2	5%	77	Electrical machinery,apparatus & appliances n.e.s.	55,055	-1.3%	54,331	-724	4.3%	57,415	2,360	10.6%	60,887	5,832
2	5%	74	General industrial machinery & equipment,and parts	47,452	-0.4%	47,240	-212	6.5%	50,528	3,076	7.9%	51,188	3,736
2	17%	85	Footwear	12,608	-6.7%	11,766	-842	-5.6%	11,906	-702	62.3%	20,458	7,850
2	5%	88	Photographic apparatus,optical goods,watches	37,335	-1.8%	36,671	-664	5.7%	39,447	2,112	11.4%	41,583	4,248
2	4%	76	Telecommunications & sound recording apparatus	45,870	-1.9%	45,013	-857	1.5%	46,537	667	12.7%	51,696	5,826
1	20%	34	Gas,natural and manufactured	7,224	8.7%	7,854	630	8.9%	7,870	646	43.4%	10,357	3,133
1	10%	62	Rubber manufactures,n.e.s.	14,385	-1.7%	14,134	-251	0.1%	14,400	15	30.4%	18,760	4,375
1	11%	52	Inorganic chemicals	12,410	-2.3%	12,122	-288	2.9%	12,775	365	32.1%	16,398	3,988
1	17%	51	Organic chemicals	7,985	0.7%	8,044	59	18.0%	9,422	1,437	32.1%	10,547	2,562
1	6%	71	Power generating machinery and equipment	20,084	-1.7%	19,747	-337	11.0%	22,285	2,201	9.7%	22,039	1,955
1	18%	82	Furniture and parts thereof	6,380	-1.6%	6,275	-105	20.2%	7,666	1,286	36.3%	8,698	2,318
1	4%	75	Office machines & automatic data processing equip.	25,378	-1.5%	24,991	-387	3.6%	26,280	902	11.3%	28,247	2,869
1	51%	29	Crude animal and vegetable materials,n.e.s.	2,048	0.5%	2,057	9	59.0%	3,256	1,208	92.7%	3,946	1,898
1	10%	68	Non-ferrous metals	8,867	-4.4%	8,476	-391	9.3%	9,695	828	24.0%	10,999	2,132
1	4%	87	Professional,scientific & controling instruments	17,136	-1.3%	16,916	-220	4.2%	17,853	717	10.5%	18,942	1,806
1	6%	11	Beverages	11,504	0.1%	11,510	6	13.6%	13,066	1,562	4.8%	12,054	550
1	21%	32	Coal,coke and briquettes	2,822	16.7%	3,294	472	18.6%	3,347	525	28.0%	3,613	791
0	7%	00	Live animals chiefly for food	7,201	-1.0%	7,129	-72	1.8%	7,333	132	19.2%	8,586	1,385
0	8%	56	Fertilizers,manufactured	5,890	3.5%	6,094	204	-1.9%	5,775	-115	21.9%	7,183	1,293
0	3%	93	Special transactions and commodities not classified ac	14,827	-1.9%	14,541	-286	-3.4%	14,320	-507	14.1%	16,923	2,096
0	5%	63	Cork and wood manufactures (excl.furniture)	8,690	-3.2%	8,413	-277	-12.0%	7,645	-1,045	28.9%	11,202	2,512
0	5%	81	Sanitary,plumbing,heating and lighting fixtures	7,521	-1.2%	7,432	-89	4.6%	7,868	347	10.2%	8,286	765
0	30%	22	Oil seeds and oleaginous fruit	1,008	-1.1%	997	-11	1.6%	1,024	16	90.4%	1,919	911
0	38%	23	Crude rubber (including synthetic and reclaimed)	718	1.6%	730	12	27.3%	914	196	86.5%	1,339	621
0	6%	27	Crude fertilizers and crude materials (excl.coal)	3,616	-1.0%	3,578	-38	6.4%	3,848	232	13.6%	4,108	492
0	9%	43	Animal-vegetable oils-fats,processed,and waxes	1,705	-4.0%	1,636	-69	9.5%	1,867	162	22.0%	2,080	375
0	4%	73	Metalworking machinery	2,719	-1.3%	2,683	-36	3.2%	2,806	87	10.9%	3,014	295
0	4%	83	Travel goods,handbags and similair containers	2,669	-1.9%	2,618	-51	1.5%	2,710	41	12.8%	3,011	342
0	7%	95	Arms,of war and ammunition therefor	916	-1.9%	898	-18	11.4%	1,020	104	10.2%	1,010	94
0	5%	12	Tobacco and tobacco manufactures	1,175	0.4%	1,179	4	8.7%	1,277	102	5.3%	1,238	63
0	28%	21	Hides,skins and furskins,raw	116	1.0%	117	1	34.4%	156	40	49.6%	174	58
0	47%	94	Animals,live,zoo animals,dogs,cats etc.	16	2.6%	16	0	63.0%	26	10	75.6%	28	12
0		57	Explosives & pyrotechnic products			3	3		4	4		-4	-4
-		25	Pulp and waste paper			-	-		-	-		-	-
-		35	Electric current			-	-		-	-		-	-
-		96	Coin (other than gold)			-	-		-	-		-	-
-0		99	Unclassified			95	95		170	170		-280	-280
-0	-6%	28	Metalliferous ores and metal scrap	184	-1.0%	182	-2	-24.8%	138	-46	7.4%	198	14
-0	-8%	41	Animal oils & fats	1,668	-5.3%	1,580	-88	-28.1%	1,199	-469	9.9%	1,832	164
-1	-9%	42	Fixed vegetable oils and fats	13,354	-7.6%	12,345	-1,009	-28.3%	9,572	-3,782	10.1%	14,707	1,353
669	33%		TOTALS and Average Changes	2,021,557	0.5%	2,032,137	10,580	22.7%	2,479,789	458,232	76.1%	3,559,534	1,537,977

MOZAMBIQUE EXPORTS (US$ m)

Exports to regions:	Scenarios			
	Base '95	Base '15	REPA	U Lib
SACU	32	36	37	34
SADC	5	6	6	5
EU	99	100	103	100
ROW	126	125	125	114
Total	261	267	271	253

Change in exports		Base '15 Base '95	REPA Base '95	U Lib Base '95
SACU		14.9%	16.8%	7.0%
SADC		21.3%	20.1%	7.8%
EU		1.0%	3.6%	0.9%
ROW		-0.4%	-0.4%	-9.3%
Total		2.4%	3.6%	-3.1%

Share in exports	Scenarios			
	Base '95	Base '15	REPA	U Lib
SACU	12%	14%	14%	13%
SADC	2%	2%	2%	2%
EU	38%	37%	38%	39%
ROW	48%	47%	46%	45%

MOZAMBIQUE IMPORTS (US$ m)

Imports from:	Scenarios			
	Base '95	Base '15	REPA	U Lib
SACU	506	604	554	542
SADC	53	60	55	53
EU	197	190	279	253
ROW	177	174	145	252
Total	934	1,028	1,033	1,100

Change in imports		Base '15 Base '95	REPA Base '95	U Lib Base '95
SACU		19.4%	9.5%	7.0%
SADC		13.7%	4.1%	-0.1%
EU		-3.6%	41.5%	28.5%
ROW		-2.2%	-18.3%	41.8%
Total		10.1%	10.6%	17.8%

Share in imports	Scenarios			
	Base '95	Base '15	REPA	U Lib
SACU	54%	59%	54%	49%
SADC	6%	6%	5%	5%
EU	21%	18%	27%	23%
ROW	19%	17%	14%	23%

MOZAMBIQUE BALANCE OF TRADE (US$ m)

BOT with regions:	Scenarios			
	Base '95	Base '15	REPA	U Lib
SACU	-475	-568	-517	-508
SADC	-48	-54	-49	-48
EU	-98	-90	-176	-153
ROW	-52	-48	-20	-138
Total	-673	-761	-763	-846

MOZAMBIQUE EXPORTS - TOTAL (US$ 000)

Av Diff US$m	% '95	SITC2	DESCRIPTION	Base '95 US$th	Base 2015 Change	Base 2015 US$th	Base 2015 Difference	REPA Change	REPA US$th	REPA Difference	Unilateral Liberalisation Change	Unilateral Liberalisation US$th	Unilateral Liberalisation Difference
3	3%	03	Fish,crustaceans,molluscs,preparations thereof	87,800	1.3%	88,948	1,148	4.3%	91,595	3,795	4.5%	91,758	3,958
2	66%	65	Textile yarn,fabrics,made-upart.,related products	3,449	10.8%	3,822	373	54.5%	5,328	1,879	131.5%	7,986	4,537
2	186%	84	Articles of apparel and clothing accessories	1,202	95.2%	2,347	1,145	187.7%	3,459	2,257	276.1%	4,521	3,319
1	41%	62	Rubber manufactures,n.e.s.	3,576	46.2%	5,227	1,651	45.9%	5,216	1,640	31.8%	4,712	1,136
1	41%	63	Cork and wood manufactures (excl.furniture)	1,445	45.8%	2,107	662	45.5%	2,103	658	31.5%	1,900	455
1	2%	26	Textile fibres (except wool tops) and their wastes	25,727	3.1%	26,524	797	5.3%	27,086	1,359	-2.3%	25,142	-585
0	2%	22	Oil seeds and oleaginous fruit	7,543	3.5%	7,807	264	5.5%	7,961	418	-1.9%	7,402	-141
0	3%	24	Cork and wood	6,122	3.7%	6,347	225	5.6%	6,468	346	-1.7%	6,018	-104
0	26%	78	Road vehicles (incl. air cushion vehicles	556	35.6%	754	198	37.9%	767	211	5.5%	587	31
0	11%	79	Other transport equipment	1,225	14.6%	1,404	179	17.6%	1,441	216	0.0%	1,225	-0
0	3%	28	Metalliferous ores and metal scrap	3,551	14.0%	4,047	496	8.0%	3,835	284	-13.2%	3,081	-470
0	5%	08	Feeding stuff for animals,not incl.unmil.cereals	1,845	6.6%	1,967	122	7.5%	1,983	138	1.2%	1,867	22
0	28%	74	General industrial machinery & equipment,and parts	305	33.0%	406	101	32.9%	405	100	17.8%	359	54
0	224%	85	Footwear	20	42.0%	28	8	167.2%	53	33	461.7%	112	92
0	41%	59	Chemical materials and products,n.e.s.	57	46.3%	83	26	46.0%	83	26	31.9%	75	18
0	6%	72	Machinery specialized for particular industries	319	10.1%	351	32	10.3%	352	33	-1.1%	315	-4
0	4%	21	Hides,skins and furskins,raw	230	1.5%	233	3	4.6%	241	11	5.0%	242	12
0	42%	51	Organic chemicals	18	47.0%	26	8	46.7%	26	8	32.5%	24	6
0	10%	41	Animal oils & fats	65	15.4%	75	10	14.8%	75	10	-1.0%	64	-1
0	7%	87	Professional,scientific & controling instruments	67	10.6%	74	7	10.8%	74	7	-0.7%	67	-0
0	23%	42	Fixed vegetable oils and fats	18	29.7%	23	5	29.2%	23	5	10.0%	20	2
0	3%	94	Animals,live,zoo animals,dogs,cats etc.	118	1.4%	120	2	4.4%	123	5	4.7%	124	6
0	8%	82	Furniture and parts thereof	50	10.3%	55	5	10.0%	55	5	2.2%	51	1
0	1%	29	Crude animal and vegetable materials,n.e.s.	238	2.3%	243	5	4.8%	249	11	-3.1%	231	-7
0	18%	73	Metalworking machinery	12	22.6%	15	3	22.7%	15	3	9.3%	13	1
0	4%	71	Power generating machinery and equipment	49	7.6%	53	4	7.9%	53	4	-3.2%	47	-2
0	23%	43	Animal-vegetable oils-fats,processed,and waxes	8	29.4%	10	2	28.8%	10	2	9.7%	9	1
0	4%	04	Cereals and cereal preparations	49	8.2%	53	4	5.7%	52	3	-3.1%	47	-2
0	6%	69	Manufactures of metal,n.e.s.	24	17.1%	28	4	12.6%	27	3	-12.3%	21	-3
0	4%	00	Live animals chiefly for food	25	1.5%	25	0	4.6%	26	1	5.1%	26	1
0	0%	23	Crude rubber (including synthetic and reclaimed)	450	1.0%	454	4	3.9%	468	18	-4.4%	430	-20
0	1%	58	Artif.resins,plastic mat.,cellulose esters/ethers	65	3.5%	67	2	3.3%	67	2	-3.3%	63	-2
0	2%	76	Telecommunications & sound recording apparatus	29	5.0%	30	1	5.3%	31	2	-5.4%	27	-2
0	0%	07	Coffee,tea,cocoa,spices,manufactures thereof	266	1.0%	269	3	3.9%	276	10	-4.4%	254	-12
0	0%	89	Miscellaneous manufactured articles,n.e.s.	112	3.4%	116	4	3.7%	116	4	-6.7%	105	-7
0		88	Photographic apparatus,optical goods,watches			0	0		0	0		0	0
0	0%	09	Miscel.edible products and preparations	25	1.0%	25	0	3.9%	26	1	-4.4%	24	-1
0		95	Arms,of war and ammunition therefor			0	0		0	0		0	0
-		02	Dairy products and birds'eggs			-	-		-	-		-	-
-		34	Gas,natural and manufactured			-	-		-	-		-	-
-		35	Electric current			-	-		-	-		-	-
-		52	Inorganic chemicals			-	-		-	-		-	-
-		57	Explosives & pyrotechnic products			-	-		-	-		-	-
-		61	Leather,leather manuf.,n.e.s.and dressed furskisg			-	-		-	-		-	-
-		96	Coin (other than gold)			-	-		-	-		-	-
-0	-1%	81	Sanitary,plumbing,heating and lighting fixtures	18	1.9%	18	0	2.2%	18	0	-7.9%	17	-1
-0	-3%	83	Travel goods,handbags and simllair containers	8	-0.1%	8	-0	0.3%	8	0	-9.5%	7	-1
-0	-7%	54	Medicinal and pharmaceutical products	5	-5.1%	5	-0	-5.2%	5	-0	-10.3%	4	-1
-0	-7%	64	Paper,paperboard,artic.of paper,paper-pulp/board	8	-5.2%	8	-0	-5.4%	8	-0	-10.4%	7	-1
-0	-1%	11	Beverages	109	2.3%	112	3	2.6%	112	3	-7.6%	101	-8
-0	-7%	55	Essential oils & perfume mat.;toilet-cleansing mat	54	-5.2%	51	-3	-5.4%	51	-3	-10.4%	48	-6
-0	-4%	56	Fertilizers,manufactured	237	-2.1%	232	-5	-2.3%	232	-5	-7.9%	218	-19
-0	-11%	33	Petroleum,petroleum products and related materials	101	-1.9%	99	-2	-9.4%	92	-9	-21.9%	79	-22
-0	-17%	01	Meat and meat preparations	75	2.5%	77	2	-13.0%	65	-10	-41.5%	44	-31
-0	-3%	77	Electrical machinery,apparatus & appliances n.e.s.	405	-0.2%	404	-1	0.1%	406	1	-9.7%	366	-39
-0	-7%	53	Dyeing,tanning and colouring materials	254	-5.2%	241	-13	-5.4%	240	-14	-10.4%	227	-27
-0	-3%	12	Tobacco and tobacco manufactures	1,331	-0.4%	1,326	-5	0.0%	1,331	-0	-9.8%	1,201	-130
-0	-4%	75	Office machines & automatic data processing equip.	1,987	-0.5%	1,977	-10	-0.2%	1,984	-3	-9.9%	1,790	-197
-0	-3%	93	Special transactions and commodities not classified ac	3,412	-0.5%	3,397	-15	-0.1%	3,408	-4	-9.9%	3,076	-336
-0	-13%	68	Non-ferrous metals	1,001	-0.9%	992	-9	-7.2%	929	-72	-31.8%	682	-319
-0	-13%	66	Non-metallic mineral manufactures,n.e s.	1,419	-1.0%	1,404	-15	-7.4%	1,314	-105	-32.0%	965	-454
-0	-4%	05	Vegetables and fruit	8,668	-0.7%	8,609	-59	-0.5%	8,624	-44	-9.4%	7,857	-811
-0	-7%	25	Pulp and waste paper	4,863	-5.2%	4,610	-253	-5.4%	4,601	-262	-10.4%	4,355	-508
-0	-15%	67	Iron and steel	2,513	-2.1%	2,461	-52	-8.5%	2,299	-214	-33.1%	1,680	-833
-1	-17%	97	Gold, non-monetary (excluding gold ores and concentr	5,312	-1.3%	5,243	-69	-11.5%	4,703	-609	-39.6%	3,209	-2,103
-1	-17%	27	Crude fertilizers and crude materials (excl.coal)	6,849	-1.3%	6,763	-86	-11.4%	6,067	-782	-39.5%	4,142	-2,707
-1	-3%	99	Unclassified	40,086	-0.5%	39,902	-184	-0.1%	40,041	-45	-9.9%	36,134	-3,952
-1	-23%	32	Coal,coke and briquettes	6,392	-5.3%	6,052	-340	-20.8%	5,062	-1,330	-43.8%	3,594	-2,798
-2	-7%	06	Sugar,sugar preparations and honey	29,466	-0.7%	29,255	-211	-2.1%	28,858	-608	-17.4%	24,329	-5,137
2	1%		TOTALS and Average Changes	261,233	2.4%	267,414	6,181	3.6%	270,626	9,393	-3.1%	253,085	-8,148

MOZAMBIQUE IMPORTS - TOTAL (US$ 000)

Av Diff US$m	% '95	SITC2	DESCRIPTION	Base '95 US$th	Base 2015 Change	Base 2015 US$th	Base 2015 Difference	REPA Change	REPA US$th	REPA Difference	Unilateral Liberalisation Change	Unilateral Liberalisation US$th	Unilateral Liberalisation Difference
22	21%	33	Petroleum,petroleum products and related materials	105,161	16.8%	122,809	17,648	18.9%	125,064	19,903	28.0%	134,560	29,399
18	126%	65	Textile yarn,fabrics,made-upart.,related products	14,530	55.7%	22,622	8,092	112.2%	30,830	16,300	210.9%	45,179	30,649
8	71%	84	Articles of apparel and clothing accessories	11,233	65.7%	18,612	7,379	74.5%	19,599	8,366	72.5%	19,372	8,139
8	99%	01	Meat and meat preparations	7,644	166.3%	20,354	12,710	95.5%	14,942	7,298	35.5%	10,359	2,715
7	16%	69	Manufactures of metal,n.e.s.	43,393	1.8%	44,182	789	26.3%	54,820	11,427	19.8%	51,964	8,571
5	33%	06	Sugar,sugar preparations and honey	16,447	30.9%	21,536	5,089	34.7%	22,147	5,700	33.2%	21,912	5,465
3	24%	05	Vegetables and fruit	14,470	22.5%	17,722	3,252	20.8%	17,476	3,006	27.5%	18,446	3,976
3	19%	02	Dairy products and birds'eggs	16,979	21.1%	20,559	3,580	16.1%	19,711	2,732	20.0%	20,382	3,403
3	20%	54	Medicinal and pharmaceutical products	15,407	-2.9%	14,962	-445	23.7%	19,052	3,645	39.3%	21,457	6,050
3	21%	34	Gas,natural and manufactured	14,522	17.5%	17,062	2,540	17.7%	17,098	2,576	26.4%	18,352	3,830
3	4%	78	Road vehicles (incl. air cushion vehicles	71,814	8.6%	78,025	6,211	0.8%	72,359	545	3.0%	73,975	2,161
3	9%	55	Essential oils & perfume mat.;toilet-cleansing mat	28,936	12.6%	32,593	3,657	4.7%	30,306	1,370	10.1%	31,873	2,937
3	28%	22	Oil seeds and oleaginous fruit	9,173	8.6%	9,962	789	8.9%	9,988	815	67.9%	15,403	6,230
3	28%	07	Coffee,tea,cocoa,spices,manufactures thereof	9,289	27.7%	11,862	2,573	30.6%	12,129	2,840	24.4%	11,560	2,271
3	38%	26	Textile fibres (except wool tops) and their wastes	6,670	0.0%	6,668	-2	24.5%	8,304	1,634	90.2%	12,687	6,017
3	13%	42	Fixed vegetable oils and fats	19,313	8.5%	20,946	1,633	10.7%	21,373	2,060	20.4%	23,251	3,938
2	31%	09	Miscel.edible products and preparations	7,728	25.3%	9,682	1,954	35.8%	10,494	2,766	30.8%	10,108	2,380
2	29%	08	Feeding stuff for animals,not incl.unmil.cereals	7,390	12.3%	8,298	908	14.7%	8,475	1,085	59.7%	11,802	4,412
2	42%	85	Footwear	5,041	28.8%	6,493	1,452	29.1%	6,507	1,466	67.4%	8,440	3,399
2	5%	77	Electrical machinery,apparatus & appliances n.e.s.	33,839	0.0%	33,849	10	10.3%	37,328	3,489	5.7%	35,766	1,927
2	5%	67	Iron and steel	37,124	15.2%	42,779	5,655	-0.7%	36,851	-273	0.0%	37,114	-10
2	16%	82	Furniture and parts thereof	10,347	8.6%	11,237	890	19.5%	12,363	2,016	20.7%	12,489	2,142
2	14%	59	Chemical materials and products,n e.s.	11,601	9.0%	12,647	1,046	13.4%	13,153	1,552	18.2%	13,715	2,114
2	4%	72	Machinery specialized for particular industries	39,095	0.3%	39,197	102	4.8%	40,958	1,863	6.6%	41,666	2,571
1	10%	64	Paper,paperboard,artic.of paper,paper-pulp/board	12,929	13.4%	14,661	1,732	7.9%	13,948	1,019	10.0%	14,217	1,288
1	8%	63	Cork and wood manufactures (excl.furniture)	17,438	13.7%	19,823	2,385	1.6%	17,725	287	7.7%	18,772	1,334
1	8%	66	Non-metallic mineral manufactures,n.e.s.	15,988	17.3%	18,761	2,773	8.5%	17,351	1,363	-0.9%	15,844	-144
1	19%	52	Inorganic chemicals	5,033	3.6%	5,212	179	23.5%	6,217	1,184	29.5%	6,519	1,486
1	21%	32	Coal,coke and briquettes	4,488	17.5%	5,273	785	17.7%	5,284	796	26.4%	5,672	1,184
1	9%	62	Rubber manufactures,n.e.s.	9,752	11.3%	10,856	1,104	4.8%	10,220	468	12.1%	10,937	1,185
1	5%	76	Telecommunications & sound recording apparatus	16,264	-0.3%	16,213	-51	10.0%	17,891	1,627	6.6%	17,341	1,077
1	17%	58	Artif.resins,plastic mat.,cellulose esters/ethers	4,909	16.9%	5,737	828	25.2%	6,146	1,237	10.0%	5,399	490
1	6%	87	Professional,scientific & controling instruments	11,298	-1.2%	11,164	-134	11.5%	12,599	1,301	8.4%	12,245	947
1	2%	74	General industrial machinery & equipment,and parts	26,427	2.7%	27,149	722	3.8%	27,421	994	0.7%	26,624	197
0	17%	51	Organic chemicals	2,581	6.2%	2,741	160	21.2%	3,128	547	24.8%	3,222	641
0	101%	61	Leather,leather manuf.,n.e.s.and dressed furskisg	404	113.8%	864	460	108.5%	842	438	79.9%	727	323
0	27%	24	Cork and wood	1,463	24.7%	1,825	362	26.0%	1,844	381	31.1%	1,918	455
0	4%	79	Other transport equipment	11,115	3.5%	11,504	389	-0.7%	11,038	-77	7.8%	11,980	865
0	11%	53	Dyeing,tanning and colouring materials	3,254	8.6%	3,532	278	7.4%	3,493	239	17.1%	3,810	556
0	28%	23	Crude rubber (including synthetic and reclaimed)	1,147	13.7%	1,304	157	14.0%	1,307	160	56.3%	1,793	646
0	2%	93	Special transactions and commodities not classified ac	18,245	-1.9%	17,895	-350	-8.6%	16,671	-1,574	15.5%	21,067	2,822
0	39%	29	Crude animal and vegetable materials,n.e.s.	684	21.0%	828	144	51.9%	1,039	355	42.7%	976	292
0	4%	56	Fertilizers,manufactured	6,499	-0.6%	6,457	-42	-13.4%	5,626	-873	24.6%	8,101	1,602
0	3%	71	Power generating machinery and equipment	6,478	0.9%	6,535	57	2.9%	6,668	190	5.6%	6,838	360
0	5%	03	Fish,crustaceans,molluscs,preparations thereof	3,140	-2.3%	3,069	-71	3.3%	3,245	105	13.0%	3,547	407
0	1%	89	Miscellaneous manufactured articles,n.e.s.	21,610	3.3%	22,322	712	-2.3%	21,117	-493	1.0%	21,816	206
0	8%	68	Non-ferrous metals	1,558	13.9%	1,775	217	7.9%	1,680	122	2.9%	1,603	45
0	1%	75	Office machines & automatic data processing equip.	8,383	3.4%	8,672	289	1.3%	8,496	113	-0.4%	8,351	-32
0	2%	88	Photographic apparatus,optical goods,watches	3,144	1.5%	3,191	47	0.6%	3,163	19	4.6%	3,289	145
0	6%	73	Metalworking machinery	1,090	1.1%	1,102	12	15.4%	1,258	168	1.8%	1,109	19
0	3%	81	Sanitary,plumbing,heating and lighting fixtures	1,979	0.8%	1,996	17	2.2%	2,023	44	5.8%	2,094	115
0	0%	11	Beverages	36,180	5.2%	38,077	1,897	-0.6%	35,970	-210	-4.3%	34,622	-1,558
0	1%	41	Animal oils & fats	3,029	-5.9%	2,851	-178	-7.6%	2,800	-229	16.7%	3,534	505
0		57	Explosives & pyrotechnic products			26	26		32	32		-29	-29
0	0%	83	Travel goods,handbags and similair containers	1,341	-0.7%	1,332	-9	-12 0%	1,181	-160	13.3%	1,519	178
0		25	Pulp and waste paper			0	0		0	0		-0	-0
-		35	Electric current			-	-		-	-		-	-
-		94	Animals,live,zoo animals,dogs,cats etc.			-	-		-	-		-	-
-		96	Coin (other than gold)			-	-		-	-		-	-
-0		95	Arms,of war and ammunition therefor			0	0		0	0		-0	-0
-0		97	Gold, non-monetary (excluding gold ores and concentrates)			-0	-0		0	0		-0	-0
-0		21	Hides,skins and furskins,raw			-0	-0		-0	-0		-2	-2
-0		99	Unclassified			924	924		1,649	1,649		-2,712	-2,712
-0	-1%	12	Tobacco and tobacco manufactures	9,712	6.0%	10,291	579	-2.1%	9,511	-201	-5.7%	9,160	-552
-0	-4%	00	Live animals chiefly for food	2,690	-3.9%	2,586	-104	-5.4%	2,545	-145	-1.4%	2,653	-37
-0	-10%	27	Crude fertilizers and crude materials (excl coal)	3,128	-1.1%	3,094	-34	-19.4%	2,521	-607	-10.2%	2,808	-320
-0	-12%	28	Metalliferous ores and metal scrap	2,628	-1.1%	2,598	-30	-16.3%	2,199	-429	-19.1%	2,125	-503
-1	-8%	43	Animal-vegetable oils-fats,processed,and waxes	10,120	-4.8%	9,639	-481	-28.0%	7,285	-2,835	9.8%	11,111	991
-5	-5%	04	Cereals and cereal preparations	90,496	-9.8%	81,653	-8,843	-13.0%	78,745	-11,751	7.3%	97,136	6,640
120	13%		TOTALS and Average Changes	933,770	10.1%	1,028,186	94,416	10.6%	1,033,206	99,436	17.8%	1,099,568	165,798

SACU EXPORTS (US$ m)

Exports	Scenarios			
to regions:	Base '95	Base '15	REPA	U Lib
SACU	-	-	-	-
SADC	2,878	3,396	3,082	2,990
EU	7,720	9,404	9,500	9,814
ROW	17,312	16,676	16,923	18,340
Total	27,909	29,476	29,505	31,144

Change in exports		Base '15 Base '95	REPA Base '95	U Lib Base '95
SACU		-	-	-
SADC		18.0%	7.1%	3.9%
EU		21.8%	23.1%	27.1%
ROW		-3.7%	-2.2%	5.9%
Total		5.6%	5.7%	11.6%

Share in	Scenarios			
exports	Base '95	Base '15	REPA	U Lib
SACU	-	-	-	-
SADC	10%	12%	10%	10%
EU	28%	32%	32%	32%
ROW	62%	57%	57%	59%

SACU IMPORTS (US$ m)

Imports	Scenarios			
from:	Base '95	Base '15	REPA	U Lib
SACU	-	-	-	-
SADC	502	655	685	589
EU	12,040	15,365	15,329	12,386
ROW	13,963	12,345	12,301	16,909
Total	26,506	28,365	28,314	29,884

Change in imports		Base '15 Base '95	REPA Base '95	U Lib Base '95
SACU		-	-	-
SADC		30.4%	36.3%	17.2%
EU		27.6%	27.3%	2.9%
ROW		-11.6%	-11.9%	21.1%
Total		7.0%	6.8%	12.7%

Share in	Scenarios			
imports	Base '95	Base '15	REPA	U Lib
SACU	-	-	-	-
SADC	2%	2%	2%	2%
EU	45%	54%	54%	41%
ROW	53%	44%	43%	57%

SACU BALANCE OF TRADE (US$ m)

BOT with	Scenarios			
regions:	Base '95	Base '15	REPA	U Lib
SACU	-	-	-	-
SADC	2,375	2,741	2,397	2,401
EU	-4,320	-5,961	-5,829	-2,573
ROW	3,349	4,331	4,623	1,431
Total	1,404	1,111	1,190	1,259

SACU EXPORTS - TOTAL (US$ 000)

Av Diff US$m	% '95	SITC2	DESCRIPTION	Base '95 US$th	Base 2015 Change	Base 2015 US$th	Base 2015 Difference	REPA Change	REPA US$th	REPA Difference	Unilateral Liberalisation Change	Unilateral Liberalisation US$th	Unilateral Liberalisation Difference
374	15%	66	Non-metallic mineral manufactures,n.e.s.	2,503,977	13.3%	2,837,844	333,867	13.8%	2,848,331	344,354	17.7%	2,946,784	442,807
353	6%	97	Gold, non-monetary (excluding gold ores and concentr	6,344,424	-1.2%	6,267,380	-77,044	0.9%	6,401,302	56,878	17.0%	7,422,350	1,077,925
182	7%	67	Iron and steel	2,776,043	6.6%	2,959,706	183,663	5.1%	2,918,465	142,422	7.9%	2,995,573	219,530
130	14%	05	Vegetables and fruit	927,453	13.5%	1,052,544	125,091	13.6%	1,053,985	126,532	15.0%	1,066,966	139,513
127	8%	32	Coal,coke and briquettes	1,607,635	7.1%	1,721,096	113,461	7.5%	1,728,030	120,395	9.1%	1,754,074	146,439
111	11%	52	Inorganic chemicals	1,012,591	9.7%	1,111,218	98,627	10.3%	1,116,731	104,140	12.9%	1,143,288	130,697
91	24%	82	Furniture and parts thereof	382,789	22.4%	468,597	85,808	23.1%	471,071	88,282	26.0%	482,290	99,501
87	7%	28	Metalliferous ores and metal scrap	1,340,133	0.3%	1,343,486	3,353	1.8%	1,363,934	23,802	17.5%	1,574,384	234,252
84	43%	65	Textile yarn,fabrics,made-upart.,related products	192,865	42.4%	274,604	81,739	44.3%	278,389	85,524	43.5%	276,796	83,931
75	6%	68	Non-ferrous metals	1,228,294	4.5%	1,284,028	55,735	5.0%	1,289,695	61,402	8.7%	1,334,695	106,401
65	11%	64	Paper,paperboard,artic.of paper,paper-pulp/board	574,085	10.9%	636,511	62,426	10.2%	632,767	58,682	12.7%	647,065	72,980
54	9%	33	Petroleum,petroleum products and related materials	577,359	7.4%	619,877	42,517	7.7%	621,666	44,307	13.1%	652,904	75,545
50	8%	25	Pulp and waste paper	624645.1266	6.4%	664,886	40,241	7.5%	671,670	47,025	10.1%	688,021	63,376
39	26%	84	Articles of apparel and clothing accessories	148,357	28.8%	191,142	42,785	26.5%	187,598	39,241	23.0%	182,488	34,131
35	12%	77	Electrical machinery,apparatus & appliances n.e.s.	300,209	11.9%	335,823	35,614	10.4%	331,462	31,253	12.3%	337,168	36,959
33	6%	74	General industrial machinery & equipment,and parts	548,821	6.7%	585,839	37,017	5.0%	576,091	27,269	6.5%	584,738	35,917
33	9%	69	Manufactures of metal,n.e.s.	371,281	11.6%	414,165	42,883	6.8%	396,344	25,062	8.1%	401,227	29,946
23	10%	26	Textile fibres (except wool tops) and their wastes	229,726	9.4%	251,259	21,533	9.7%	251,993	22,266	11.1%	255,260	25,534
17	7%	27	Crude fertilizers and crude materials (excl.coal)	251,134	0.9%	253,483	2,349	2.1%	256,315	5,181	17.5%	294,974	43,840
15	11%	61	Leather,leather manuf.,n.e.s.and dressed furskisg	138,212	10.3%	152,391	14,179	10.4%	152,604	14,392	12.3%	155,156	16,944
15	7%	89	Miscellaneous manufactured articles,n.e.s.	212,899	7.3%	228,478	15,578	5.8%	225,224	12,325	7.5%	228,931	16,032
14	8%	11	Beverages	174,077	9.4%	190,394	16,316	7.1%	186,414	12,337	8.4%	188,730	14,652
13	6%	59	Chemical materials and products,n.e.s.	226,490	7.3%	243,057	16,567	3.9%	235,297	8,807	5.9%	239,918	13,428
12	4%	51	Organic chemicals	294,540	3.2%	304,029	9,489	3.2%	304,053	9,513	5.6%	311,122	16,582
12	5%	03	Fish,crustaceans,mollucs,preparations thereof	225,767	5.0%	237,117	11,350	5.1%	237,354	11,587	5.4%	238,053	12,286
12	7%	06	Sugar,sugar preparations and honey	171,012	8.0%	184,703	13,691	9.0%	186,427	15,416	3.5%	176,977	5,965
10	43%	85	Footwear	23,791	48.6%	35,347	11,556	44.0%	34,249	10,458	35.9%	32,339	8,548
10	14%	01	Meat and meat preparations	70,687	25.1%	88,432	17,744	11.6%	78,874	8,187	6.4%	75,235	4,548
10	10%	21	Hides,skins and furskins,raw	97,101	9.7%	106,550	9,449	10.0%	106,763	9,662	10.0%	106,823	9,722
9	9%	62	Rubber manufactures,n.e.s.	98,132	11.6%	109,551	11,418	6.7%	104,675	6,542	8.6%	106,575	8,443
8	8%	71	Power generating machinery and equipment	100,052	8.4%	108,435	8,383	7.2%	107,216	7,164	9.1%	109,174	9,122
8	24%	42	Fixed vegetable oils and fats	34,374	30.7%	44,939	10,564	18.5%	40,738	6,363	21.4%	41,744	7,370
8	13%	63	Cork and wood manufactures (excl.furniture)	60,083	14.5%	68,792	8,709	11.3%	66,896	6,813	13.6%	68,244	8,161
7	18%	07	Coffee,tea,cocoa,spices,manufactures thereof	39,412	18.8%	46,822	7,410	19.1%	46,959	7,547	17.2%	46,199	6,787
7	9%	75	Office machines & automatic data processing equip.	80,981	9.6%	88,736	7,755	7.7%	87,218	6,237	9.3%	88,503	7,522
7	12%	29	Crude animal and vegetable materials,n.e.s.	58,483	11.0%	64,919	6,437	11.3%	65,109	6,627	12.2%	65,629	7,147
7	8%	55	Essential oils & perfume mat.;toilet-cleansing mat	83,693	13.5%	94,993	11,300	4.3%	87,330	3,637	5.8%	88,523	4,830
5	3%	58	Artif.resins,plastic mat.,cellulose esters/ethers	183,068	4.9%	192,092	9,025	0.6%	184,167	1,099	2.5%	187,582	4,514
5	5%	76	Telecommunications & sound recording apparatus	95,910	5.9%	101,532	5,622	3.7%	99,452	3,541	5.0%	100,712	4,801
4	23%	08	Feeding stuff for animals,not incl.unmil.cereals	18,642	22.9%	22,918	4,276	23.3%	22,985	4,343	21.7%	22,689	4,048
4	20%	34	Gas,natural and manufactured	20,756	17.1%	24,302	3,546	17.3%	24,354	3,598	26.0%	26,154	5,398
4	5%	09	Miscel.edible products and preparations	83,655	4.7%	87,594	3,939	5.0%	87,850	4,195	4.2%	87,190	3,535
4	8%	54	Medicinal and pharmaceutical products	51,128	10.7%	56,584	5,456	5.1%	53,736	2,609	6.9%	54,674	3,547
4	1%	72	Machinery specialized for particular industries	343,989	2.6%	352,815	8,826	-0.1%	343,712	-277	0.9%	346,947	2,958
3	8%	02	Dairy products and birds'eggs	45,756	9.2%	49,978	4,221	5.2%	48,147	2,391	8.4%	49,601	3,844
3	5%	87	Professional,scientific & controling instruments	64,519	5.0%	67,755	3,236	4.1%	67,134	2,615	6.1%	68,443	3,923
3	4%	53	Dyeing,tanning and colouring materials	74,831	5.6%	79,001	4,170	2.7%	76,824	1,993	4.7%	78,372	3,540
3	12%	22	Oil seeds and oleaginous fruit	23,093	11.9%	25,837	2,744	12.2%	25,913	2,820	12.6%	26,010	2,917
2	29%	41	Animal oils & fats	8,494	44.7%	12,289	3,795	22.4%	10,399	1,906	18.6%	10,075	1,581
2	12%	23	Crude rubber (including synthetic and reclaimed)	16,233	11.6%	18,110	1,878	11.9%	18,163	1,931	11.3%	18,074	1,842
2	7%	57	Explosives & pyrotechnic products	24,049	13.1%	27,202	3,153	3.6%	24,914	865	5.0%	25,243	1,195
2	31%	43	Animal-vegetable oils-fats,processed,and waxes	5,314	37.6%	7,314	2,000	26.0%	6,698	1,384	30.2%	6,917	1,603
2	7%	88	Photographic apparatus,optical goods,watches	23,456	7.3%	25,179	1,723	5.5%	24,755	1,299	7.1%	25,124	1,668
1	4%	73	Metalworking machinery	30,426	3.0%	31,347	921	2.6%	31,224	797	4.9%	31,929	1,503
1	12%	96	Coin (other than gold)	8,262	9.8%	9,069	807	10.5%	9,134	872	14.5%	9,464	1,202
1	0%	56	Fertilizers,manufactured	157,017	1.9%	160,062	3,045	-1.3%	154,941	-2,077	0.6%	157,982	965
0	4%	83	Travel goods,handbags and similair containers	12,695	1.8%	12,922	227	3.0%	13,075	380	6.3%	13,491	796
0	1%	12	Tobacco and tobacco manufactures	38,913	4.9%	40,806	1,893	-0.5%	38,719	-193	-1.2%	38,463	-450
0	0%	78	Road vehicles (incl. air cushion vehicles	748,628	4.5%	782,086	33,458	1.7%	761,192	12,565	-6.0%	703,602	-45,026
0	2%	81	Sanitary,plumbing,heating and lighting fixtures	8,964	5.8%	9,485	522	-0.1%	8,959	-5	-1.0%	8,874	-90
-		35	Electric current	-		-	-		-	-		-	-
-		93	Special transactions and commodities not classified ac	-		-	-		-	-		-	-
-		94	Animals,live,zoo animals,dogs,cats etc.	-		-	-		-	-		-	-
-0	-2%	95	Arms,of war and ammunition therefor	57	-2.7%	56	-2	-2.9%	56	-2	-0.6%	57	-0
-1	-7%	00	Live animals chiefly for food	13,121	-7.4%	12,157	-965	-7.4%	12,145	-976	-6.7%	12,237	-884
-5	0%	99	Unclassified	1,116,446	-2.5%	1,088,079	-28,367	-1.0%	1,104,834	-11,612	2.3%	1,142,155	25,709
-5	-4%	24	Cork and wood	153,313	-4.1%	146,992	-6,320	-3.8%	147,420	-5,893	-2.7%	149,184	-4,129
-8	5%	79	Other transport equipment	152,945	-4.7%	145,832	-7,113	-3.1%	148,146	-4,799	-8.2%	140,427	-12,518
-49	-19%	04	Cereals and cereal preparations	253,903	-15.0%	215,730	-38,173	-18.7%	206,547	-47,356	-24.0%	193,069	-60,833
2132	8%		TOTALS and Average Changes	27,909,193	5.6%	29,476,299	1,567,106	5.7%	29,504,836	1,595,643	11.6%	31,143,664	3,234,471

SACU IMPORTS - TOTAL (US$ 000)

Av Diff US$m	% '95	SITC2	DESCRIPTION	Base '95 US$th	Base 2015 Change	Base 2015 US$th	Base 2015 Difference	REPA Change	REPA US$th	REPA Difference	Unilateral Liberalisation Change	Unilateral Liberalisation US$th	Unilateral Liberalisation Difference
909	32%	78	Road vehicles (incl. air cushion vehicles	2,882,587	25.0%	3,602,469	719,882	24.8%	3,596,380	713,793	44.9%	4,177,218	1,294,631
179	91%	01	Meat and meat preparations	195,619	80.7%	353,417	157,798	80.0%	352,174	156,555	113.2%	417,093	221,474
112	21%	79	Other transport equipment	531,154	7.0%	568,142	36,987	6.8%	567,193	36,039	49.5%	794,308	263,153
84	4%	72	Machinery specialized for particular industries	1,952,301	4.6%	2,041,526	89,225	4.4%	2,038,813	86,512	3.9%	2,028,442	76,141
82	13%	66	Non-metallic mineral manufactures,n.e.s.	650,170	14.7%	745,907	95,737	14.0%	741,505	91,335	9.0%	708,884	58,714
71	10%	65	Textile yarn,fabrics,made-upart.,related products	746,541	4.5%	780,003	33,462	4.2%	777,644	31,103	19.9%	895,071	148,530
70	50%	84	Articles of apparel and clothing accessories	140,420	32.9%	186,591	46,171	43.3%	201,288	60,868	73.5%	243,626	103,206
70	4%	77	Electrical machinery,apparatus & appliances n.e.s.	1,841,181	3.3%	1,902,075	60,893	3.2%	1,899,552	58,370	4.9%	1,931,926	90,745
70	4%	74	General industrial machinery & equipment,and parts	1,827,575	3.4%	1,889,075	61,501	3.2%	1,886,557	58,982	4.8%	1,915,638	88,063
55	12%	04	Cereals and cereal preparations	467,131	11.2%	519,673	52,541	11.0%	518,332	51,201	13.1%	528,140	61,009
52	9%	69	Manufactures of metal,n.e.s.	604,829	5.3%	637,095	32,266	5.1%	635,416	30,587	15.6%	699,305	94,476
45	11%	67	Iron and steel	397,351	11.1%	441,573	44,222	10.9%	440,735	43,384	12.2%	445,874	48,523
45	26%	85	Footwear	174234.394	5.3%	183,424	9,189	6.1%	184,895	10,660	66.6%	290,282	116,048
41	5%	51	Organic chemicals	905,448	2.5%	928,180	22,731	2.3%	926,279	20,830	8.8%	985,374	79,925
40	35%	61	Leather,leather manuf.,n.e.s.and dressed furskisg	111,719	29.7%	144,942	33,223	28.0%	142,951	31,231	48.5%	165,852	54,133
39	4%	76	Telecommunications & sound recording apparatus	1,042,583	3.3%	1,076,665	34,083	3.1%	1,075,229	32,647	4.9%	1,093,608	51,026
35	5%	58	Artif.resins,plastic mat.,cellulose esters/ethers	729,187	3.4%	753,712	24,525	3.2%	752,169	22,981	7.8%	785,836	56,649
34	10%	68	Non-ferrous metals	326,883	8.8%	355,675	28,792	8.5%	354,807	27,924	13.5%	371,070	44,187
31	6%	64	Paper,paperboard,artic.of paper,paper-pulp/board	538,115	6.2%	571,302	33,187	5.9%	570,132	32,017	5.1%	565,571	27,456
29	5%	54	Medicinal and pharmaceutical products	537,348	5.2%	565,113	27,765	5.0%	563,956	26,608	5.9%	568,816	31,469
28	2%	75	Office machines & automatic data processing equip.	1,346,683	-0.9%	1,334,996	-11,687	-1.0%	1,333,212	-13,472	8.2%	1,456,597	109,914
26	5%	59	Chemical materials and products,n.e.s.	507,830	4.8%	532,123	24,293	4.6%	531,033	23,203	6.0%	538,286	30,456
25	3%	89	Miscellaneous manufactured articles,n.e.s.	880,285	0.9%	888,285	7,999	0.8%	887,104	6,819	6.8%	940,282	59,997
25	1%	33	Petroleum,petroleum products and related materials	2,789,463	1.3%	2,825,361	35,898	0.9%	2,815,528	26,065	0.4%	2,801,526	12,062
19	4%	87	Professional,scientific & controling instruments	533,117	2.9%	548,535	15,418	2.8%	547,804	14,687	5.2%	560,824	27,707
18	3%	71	Power generating machinery and equipment	599,109	1.5%	608,314	9,205	1.4%	607,505	8,396	6.3%	636,913	37,804
15	14%	05	Vegetables and fruit	109,386	9.6%	119,918	10,532	9.0%	119,259	9,873	23.8%	135,463	26,076
13	5%	62	Rubber manufactures,n.e.s.	261,790	2.2%	267,438	5,648	1.9%	266,891	5,100	10.6%	289,460	27,670
11	5%	53	Dyeing,tanning and colouring materials	210,401	5.6%	222,148	11,747	5.4%	221,693	11,292	5.1%	221,070	10,669
11	5%	52	Inorganic chemicals	231,879	2.1%	236,834	4,955	1.9%	236,349	4,470	9.7%	254,408	22,529
10	4%	73	Metalworking machinery	263,292	3.7%	272,944	9,652	3.5%	272,581	9,289	4.6%	275,392	12,100
8	5%	55	Essential oils & perfume mat.;toilet-cleansing mat	149,190	5.0%	156,689	7,499	4.8%	156,368	7,178	5.9%	158,043	8,852
8	-1%	99	Unclassified	-552,295	-9.4%	-500,122	52,173	-9.6%	-499,444	52,851	14.8%	-634,301	-82,006
8	11%	82	Furniture and parts thereof	69,828	10.7%	77,325	7,497	10.5%	77,167	7,339	11.5%	77,829	8,001
7	3%	88	Photographic apparatus,optical goods,watches	265,446	0.5%	266,857	1,410	0.4%	266,501	1,054	7.1%	284,207	18,761
7	11%	12	Tobacco and tobacco manufactures	63,558	10.9%	70,461	6,903	10.9%	70,454	6,896	11.1%	70,591	7,033
6	6%	11	Beverages	107,109	9.0%	116,726	9,617	8.8%	116,570	9,462	0.4%	107,484	376
5	9%	63	Cork and wood manufactures (excl.furniture)	60,439	8.0%	65,258	4,819	7.8%	65,125	4,686	10.3%	66,682	6,243
5	13%	02	Dairy products and birds'eggs	36,754	10.8%	40,722	3,968	10.5%	40,599	3,845	16.3%	42,750	5,997
4	12%	96	Coin (other than gold)	31,905	13.0%	36,041	4,136	12.8%	35,989	4,084	11.2%	35,473	3,568
2	4%	56	Fertilizers,manufactured	48,285	0.6%	48,590	306	0.4%	48,491	206	11.2%	53,677	5,393
2	7%	06	Sugar,sugar preparations and honey	25,996	0.3%	26,079	84	0.2%	26,039	43	20.6%	31,344	5,348
1	2%	25	Pulp and waste paper	53,103	-6.6%	49,601	-3,502	-6.8%	49,500	-3,603	20.2%	63,829	10,726
1	1%	24	Cork and wood	130,956	0.8%	132,058	1,102	0.4%	131,451	495	1.2%	132,546	1,590
1	1%	08	Feeding stuff for animals,not incl.unmil.cereals	150,586	0.6%	151,447	861	0.0%	150,653	67	1.1%	152,277	1,691
1	5%	57	Explosives & pyrotechnic products	14,801	-0.5%	14,722	-79	-0.7%	14,692	-109	15.2%	17,048	2,247
1	2%	81	Sanitary,plumbing,heating and lighting fixtures	34,157	-1.4%	33,668	-489	-1.6%	33,623	-534	8.7%	37,123	2,966
1	1%	83	Travel goods,handbags and similair containers	39,062	-4.1%	37,471	-1,591	-4.2%	37,429	-1,632	12.6%	43,997	4,935
0	1%	22	Oil seeds and oleaginous fruit	69,980	0.5%	70,342	362	0.0%	69,964	-16	1.4%	70,977	997
0	0%	07	Coffee,tea,cocoa,spices,manufactures thereof	117,446	0.4%	117,955	509	-0.1%	117,298	-149	0.7%	118,224	778
0	0%	26	Textile fibres (except wool tops) and their wastes	203,536	1.0%	205,511	1,975	0.5%	204,627	1,091	-1.0%	201,576	-1,960
0	0%	32	Coal,coke and briquettes	44,559	1.0%	44,988	428	0.3%	44,693	134	-0.7%	44,259	-300
0	0%	43	Animal-vegetable oils-fats,processed,and waxes	44,554	-1.0%	44,092	-462	-1.2%	44,032	-522	2.6%	45,715	1,162
0	0%	97	Gold, non-monetary (excluding gold ores and concentr	3,899	6.3%	4,146	247	3.3%	4,027	128	-8.3%	3,575	-324
0	3%	34	Gas,natural and manufactured	343	3.8%	356	13	3.4%	354	12	2.1%	350	7
0	0%	95	Arms,of war and ammunition therefor	1,830	-5.9%	1,722	-107	-6.0%	1,720	-110	12.2%	2,052	222
-		35	Electric current	-		-	-		-	-		-	-
-		93	Special transactions and commodities not classified ac	-		-	-		-	-		-	-
-		94	Animals,live,zoo animals,dogs,cats etc.	-		-	-		-	-		-	-
-0	-3%	00	Live animals chiefly for food	10,222	-1.9%	10,029	-193	-1.9%	10,028	-194	-5.7%	9,642	-580
-0	0%	23	Crude rubber (including synthetic and reclaimed)	129,462	-0.1%	129,292	-171	-0.8%	128,396	-1,067	0.1%	129,550	87
-1	-4%	21	Hides,skins and furskins,raw	16,811	-2.2%	16,442	-369	-2.5%	16,385	-426	-6.7%	15,688	-1,123
-1	-1%	29	Crude animal and vegetable materials,n.e.s.	80,983	-0.1%	80,931	-52	-0.7%	80,384	-599	-1.9%	79,412	-1,571
-1	-1%	09	Miscel.edible products and preparations	69,360	-0.1%	69,281	-79	-0.8%	68,804	-556	-2.9%	67,325	-2,035
-1	-1%	28	Metalliferous ores and metal scrap	187,468	2.9%	192,871	5,403	1.1%	189,545	2,077	-5.5%	177,146	-10,322
-1	-3%	41	Animal oils & fats	45,120	-5.6%	42,583	-2,537	-5.7%	42,526	-2,594	2.2%	46,128	1,008
-2	-1%	27	Crude fertilizers and crude materials (excl.coal)	122,364	1.5%	124,186	1,821	0.2%	122,646	282	-5.5%	115,582	-6,782
-2	-4%	03	Fish,crustaceans,mollucs,preparations thereof	66,170	-2.1%	64,757	-1,413	-2.4%	64,578	-1,592	-6.5%	61,881	-4,288
-4	-2%	42	Fixed vegetable oils and fats	226,911	-3.7%	218,562	-8,349	-3.8%	218,264	-8,648	2.4%	232,380	5,469
2349	9%		TOTALS and Average Changes	26,505,513	7.0%	28,365,095	1,859,582	6.8%	28,314,441	1,808,928	12.7%	29,884,220	3,378,707

SEYCHELLES EXPORTS (US$ m)

Exports to regions:	Scenarios			
	Base '95	Base '15	REPA	U Lib
SACU	1	1	1	1
SADC	0	0	0	0
EU	6	6	7	6
ROW	44	43	40	33
Total	51	50	47	41

Change in exports		Base '15 Base '95	REPA Base '95	U Lib Base '95
SACU		16.3%	16.4%	5.3%
SADC		5.7%	8.3%	3.3%
EU		0.8%	2.9%	1.2%
ROW		-2.5%	-10.2%	-24.0%
Total		-1.8%	-8.1%	-20.3%

Share in exports	Scenarios			
	Base '95	Base '15	REPA	U Lib
SACU	1%	2%	2%	2%
SADC	1%	1%	1%	1%
EU	12%	13%	14%	16%
ROW	86%	85%	84%	82%

SEYCHELLES IMPORTS (US$ m)

Imports from:	Scenarios			
	Base '95	Base '15	REPA	U Lib
SACU	33	40	37	36
SADC	5	6	6	5
EU	57	55	80	73
ROW	183	177	153	262
Total	278	278	275	376

Change in imports		Base '15 Base '95	REPA Base '95	U Lib Base '95
SACU		20.9%	11.9%	9.3%
SADC		24.6%	14.1%	5.0%
EU		-2.6%	40.5%	28.2%
ROW		-3.7%	-16.8%	42.8%
Total		-0.1%	-1.1%	35.1%

Share in imports	Scenarios			
	Base '95	Base '15	REPA	U Lib
SACU	12%	14%	13%	10%
SADC	2%	2%	2%	1%
EU	20%	20%	29%	19%
ROW	66%	63%	55%	70%

SEYCHELLES BALANCE OF TRADE (US$ m)

BOT with regions:	Scenarios			
	Base '95	Base '15	REPA	U Lib
SACU	-32	-39	-36	-35
SADC	-5	-6	-5	-5
EU	-50	-49	-73	-66
ROW	-140	-134	-113	-229
Total	-227	-228	-228	-335

SEYCHELLES EXPORTS - TOTAL (US$ 000)

Av Diff US$m	% '95	SITC2	DESCRIPTION	Base '95 US$th	Base 2015 Change	Base 2015 US$th	Base 2015 Difference	REPA Change	REPA US$th	REPA Difference	Unilateral Liberalisation Change	Unilateral Liberalisation US$th	Unilateral Liberalisation Difference
1	4%	03	Fish,crustaceans,mollucs,preparations thereof	20,923	1.5%	21,228	305	4.6%	21,885	962	5.0%	21,963	1,040
0	47%	71	Power generating machinery and equipment	73	53.0%	112	39	52.8%	112	39	34.4%	98	25
0		99	Unclassified			15	15		14	14		12	12
0	162%	84	Articles of apparel and clothing accessories	6	130.2%	14	8	201.3%	18	12	154.1%	15	9
0	1%	07	Coffee,tea,cocoa,spices,manufactures thereof	717	2.0%	731	14	4.6%	750	33	-3.4%	693	-24
0		64	Paper,paperboard,artic.of paper,paper-pulp/board			8	8		8	8		6	6
0	4%	88	Photographic apparatus,optical goods,watches	161	7.8%	174	13	8.0%	174	13	-3.0%	156	-5
0		08	Feeding stuff for animals,not incl.unmil.cereals			7	7		4	4		7	7
0	65%	65	Textile yarn,fabrics,made-upart.,related products	6	11.2%	7	1	54.6%	9	3	130.3%	14	8
0	6%	77	Electrical machinery,apparatus & appliances n.e.s.	55	10.0%	61	6	10.3%	61	6	-1.2%	54	-1
0	2%	22	Oil seeds and oleaginous fruit	175	3.0%	180	5	5.2%	184	9	-2.4%	171	-4
0	19%	63	Cork and wood manufactures (excl.furniture)	15	22.3%	18	3	22.1%	18	3	12.2%	17	2
0	12%	78	Road vehicles (incl. air cushion vehicles	16	17.0%	19	3	19.9%	19	3	0.6%	16	0
0	28%	27	Crude fertilizers and crude materials (excl.coal)	6	32.4%	8	2	31.5%	8	2	18.6%	7	1
0		62	Rubber manufactures,n.e.s.			1	1		1	1		1	1
0	5%	54	Medicinal and pharmaceutical products	13	7.6%	14	1	7.3%	14	1	0.0%	13	0
0		52	Inorganic chemicals			0	0		0	0		0	0
0		34	Gas,natural and manufactured			0	0		0	0		0	0
0	1%	29	Crude animal and vegetable materials,n.e.s.	18	2.2%	18	0	4.7%	19	1	-3.1%	17	-1
0		95	Arms,of war and ammunition therefor			0	0		0	0		0	0
0	0%	09	Miscel.edible products and preparations	8	1.0%	8	0	3.9%	8	0	-4.4%	8	-0
-		01	Meat and meat preparations			-	-		-	-		-	-
-		02	Dairy products and birds'eggs			-	-		-	-		-	-
-		04	Cereals and cereal preparations			-	-		-	-		-	-
-		06	Sugar,sugar preparations and honey			-	-		-	-		-	-
-		21	Hides,skins and furskins,raw			-	-		-	-		-	-
-		23	Crude rubber (including synthetic and reclaimed)			-	-		-	-		-	-
-		24	Cork and wood			-	-		-	-		-	-
-		25	Pulp and waste paper			-	-		-	-		-	-
-		26	Textile fibres (except wool tops) and their wastes			-	-		-	-		-	-
-		32	Coal,coke and briquettes			-	-		-	-		-	-
-		35	Electric current			-	-		-	-		-	-
-		41	Animal oils & fats			-	-		-	-		-	-
-		42	Fixed vegetable oils and fats			-	-		-	-		-	-
-		43	Animal-vegetable oils-fats,processed,and waxes			-	-		-	-		-	-
-		51	Organic chemicals			-	-		-	-		-	-
-		53	Dyeing,tanning and colouring materials			-	-		-	-		-	-
-		56	Fertilizers,manufactured			-	-		-	-		-	-
-		57	Explosives & pyrotechnic products			-	-		-	-		-	-
-		58	Artif.resins,plastic mat.,cellulose esters/ethers			-	-		-	-		-	-
-		59	Chemical materials and products,n.e.s.			-	-		-	-		-	-
-		61	Leather,leather manuf.,n.e.s.and dressed furskisg			-	-		-	-		-	-
-		67	Iron and steel			-	-		-	-		-	-
-		68	Non-ferrous metals			-	-		-	-		-	-
-		81	Sanitary,plumbing,heating and lighting fixtures			-	-		-	-		-	-
-		83	Travel goods,handbags and similair containers			-	-		-	-		-	-
-		85	Footwear			-	-		-	-		-	-
-		93	Special transactions and commodities not classified according to kind			-	-		-	-		-	-
-		94	Animals,live,zoo animals,dogs,cats etc.			-	-		-	-		-	-
-		96	Coin (other than gold)			-	-		-	-		-	-
-		97	Gold, non-monetary (excluding gold ores and concentrates)			-	-		-	-		-	-
-0		00	Live animals chiefly for food			-0	-0		-0	-0		-0	-0
-0	0%	75	Office machines & automatic data processing equip.	46	3.1%	47	1	3.4%	48	2	-6.9%	43	-3
-0	-4%	73	Metalworking machinery	6	-0.5%	6	-0	-0.2%	6	-0	-9.9%	5	-1
-0	-4%	05	Vegetables and fruit	17	-1.3%	17	-0	-1.1%	17	-0	-9.8%	15	-2
-0	-4%	72	Machinery specialized for particular industries	26	-0.5%	26	-0	-0.2%	26	-0	-9.9%	23	-3
-0	-7%	82	Furniture and parts thereof	18	-5.2%	17	-1	-5.4%	17	-1	-10.4%	16	-2
-0	0%	79	Other transport equipment	354	-0.5%	352	-2	3.1%	365	11	-3.9%	340	-14
-0	-14%	69	Manufactures of metal,n.e.s.	25	-1.8%	25	-0	-8.2%	23	-2	-32.9%	17	-8
-0	-3%	76	Telecommunications & sound recording apparatus	152	0.5%	153	1	0.8%	153	1	-9.1%	138	-14
-0	-18%	28	Metalliferous ores and metal scrap	27	-1.9%	26	-1	-12.3%	24	-3	-40.7%	16	-11
-0	-3%	89	Miscellaneous manufactured articles,n.e.s.	230	-0.3%	229	-1	0.1%	230	0	-9.7%	208	-22
-0	-4%	12	Tobacco and tobacco manufactures	239	-0.5%	238	-1	-0.2%	239	-0	-9.9%	215	-24
-0	-4%	11	Beverages	438	-0.5%	436	-2	-0.2%	437	-1	-9.9%	395	-43
-0	-7%	55	Essential oils & perfume mat.;toilet-cleansing mat	234	-5.2%	222	-12	-5.4%	221	-13	-10.4%	210	-24
-0	-3%	74	General industrial machinery & equipment,and parts	706	-0.4%	703	-3	-0.1%	706	-0	-9.8%	637	-69
-0	-11%	66	Non-metallic mineral manufactures,n.e.s.	295	1.4%	299	4	-4.7%	281	-14	-29.4%	208	-87
-0	-3%	87	Professional,scientific & controling instruments	1,085	-0.4%	1,080	-5	-0.1%	1,084	-1	-9.8%	978	-107
-6	-23%	33	Petroleum,petroleum products and related materials	25,290	-5.3%	23,945	-1,345	-20.8%	20,028	-5,262	-43.8%	14,220	-11,070
-5	-10%		TOTALS and Average Changes	51,380	-1.8%	50,443	-937	-8.1%	47,211	-4,169	-20.3%	40,954	-10,426

SEYCHELLES IMPORTS - TOTAL (US$ 000)

Av Diff US$m	% '95	SITC2	DESCRIPTION	Base '95 US$th	Base 2015 Change	Base 2015 US$th	Base 2015 Difference	REPA Change	REPA US$th	REPA Difference	Unilateral Liberalisation Change	Unilateral Liberalisation US$th	Unilateral Liberalisation Difference
11	20%	33	Petroleum,petroleum products and related materials	52,537	-1.3%	51,869	-668	-0.7%	52,166	-371	62.8%	85,516	32,979
5	95%	65	Textile yarn,fabrics,made-upart.,related products	5,305	15.0%	6,099	794	30.2%	6,910	1,605	240.6%	18,069	12,764
3	44%	03	Fish,crustaceans,mollucs,preparations thereof	6,481	2.6%	6,648	167	57.1%	10,181	3,700	72.1%	11,153	4,672
2	36%	84	Articles of apparel and clothing accessories	4,344	14.3%	4,963	619	28.6%	5,588	1,244	64.8%	7,159	2,815
1	41%	01	Meat and meat preparations	3,565	6.0%	3,780	215	54.9%	5,524	1,959	61.1%	5,743	2,178
1	15%	05	Vegetables and fruit	6,238	5.6%	6,587	349	6.1%	6,620	382	33.0%	8,298	2,060
1	13%	55	Essential oils & perfume mat.;toilet-cleansing mat	6,586	0.3%	6,608	22	8.4%	7,137	551	29.8%	8,547	1,961
1	13%	02	Dairy products and birds'eggs	5,623	-1.5%	5,537	-86	6.5%	5,991	368	34.6%	7,571	1,948
1	33%	09	Miscel.edible products and preparations	2,140	14.6%	2,452	312	29.9%	2,781	641	55.8%	3,334	1,194
1	29%	85	Footwear	2,456	12.3%	2,757	301	9.0%	2,677	221	65.2%	4,056	1,600
1	6%	04	Cereals and cereal preparations	9,939	-1.1%	9,832	-107	-10.8%	8,861	-1,078	30.8%	13,002	3,063
1	25%	06	Sugar,sugar preparations and honey	2,201	8.8%	2,395	194	12.8%	2,482	281	52.7%	3,360	1,159
1	14%	54	Medicinal and pharmaceutical products	3760	3.2%	3,880	120	13.3%	4,259	499	27.0%	4,774	1,014
1	27%	24	Cork and wood	1,859	24.1%	2,308	449	24.5%	2,314	455	32.3%	2,460	601
0	34%	07	Coffee,tea,cocoa,spices,manufactures thereof	1,348	11.3%	1,500	152	26.8%	1,709	361	63.4%	2,202	854
0	4%	76	Telecommunications & sound recording apparatus	11,685	-1.8%	11,470	-215	-0.5%	11,625	-60	13.2%	13,222	1,537
0	6%	64	Paper,paperboard,artic.of paper,paper-pulp/board	6,493	-2.3%	6,343	-150	-8.4%	5,949	-544	28.7%	8,355	1,862
0	5%	66	Non-metallic mineral manufactures,n e.s.	6,505	-3.9%	6,251	-254	-3.3%	6,289	-216	21.4%	7,894	1,389
0	3%	79	Other transport equipment	10,139	2.5%	10,388	249	-4.0%	9,737	-402	9.8%	11,131	992
0	3%	71	Power generating machinery and equipment	9,389	-1.8%	9,218	-171	-3.3%	9,084	-305	13.8%	10,687	1,298
0	4%	11	Beverages	6,335	-0.8%	6,287	-48	1.3%	6,417	82	10.0%	6,968	633
0	4%	72	Machinery specialized for particular industries	6,121	-0.9%	6,066	-55	1.0%	6,184	63	10.4%	6,758	637
0	7%	82	Furniture and parts thereof	3,163	0.8%	3,189	26	-5.7%	2,983	-180	24.8%	3,947	784
0	29%	08	Feeding stuff for animals,not incl.unmil.cereals	629	0.7%	633	4	0.9%	635	6	86.0%	1,170	541
0	1%	89	Miscellaneous manufactured articles,n.e.s.	12,830	-1.1%	12,694	-136	-7.9%	11,819	-1,011	13.2%	14,519	1,689
0	5%	63	Cork and wood manufactures (excl.furniture)	3,851	-1.5%	3,795	-56	-11.1%	3,422	-429	26.6%	4,874	1,023
0	1%	78	Road vehicles (incl. air cushion vehicles	13,968	-1.0%	13,830	-138	-10.2%	12,543	-1,425	14.8%	16,036	2,068
0	8%	59	Chemical materials and products,n.e.s.	1,890	4.2%	1,968	78	-0.8%	1,876	-14	21.3%	2,292	402
0	11%	58	Artif resins,plastic mat.,cellulose esters/ethers	1,280	3.8%	1,329	49	5.0%	1,344	64	23.5%	1,581	301
0	32%	29	Crude animal and vegetable materials,n.e.s.	417	5.4%	440	23	15.5%	481	64	76.2%	735	318
0	1%	77	Electrical machinery,apparatus & appliances n.e.s.	8,848	-0.8%	8,776	-72	-8.3%	8,115	-733	12.7%	9,969	1,121
0	1%	74	General industrial machinery & equipment,and parts	9,358	-0.9%	9,277	-81	-9.1%	8,508	-850	13.0%	10,574	1,216
0	2%	75	Office machines & automatic data processing equip.	4,818	-0.5%	4,793	-25	-4.6%	4,596	-222	10.9%	5,345	527
0	21%	34	Gas,natural and manufactured	376	11.7%	420	44	13.3%	426	50	37.8%	518	142
0	1%	87	Professional,scientific & controling instruments	6,652	-1.9%	6,526	-126	-10.6%	5,949	-703	15.9%	7,711	1,059
0	3%	62	Rubber manufactures,n.e.s.	2,423	-3.0%	2,351	-72	-15.5%	2,048	-375	27.5%	3,090	667
0	29%	22	Oil seeds and oleaginous fruit	239	-1.1%	236	-3	-0.8%	237	-2	90.0%	454	215
0	4%	53	Dyeing,tanning and colouring materials	1,756	0.2%	1,759	3	-13.0%	1,528	-228	23.5%	2,169	413
0	3%	81	Sanitary,plumbing,heating and lighting fixtures	1,544	-1.0%	1,529	-15	-1.1%	1,526	-18	11.2%	1,717	173
0	1%	93	Special transactions and commodities not classified ac	3,293	-1.9%	3,229	-64	-10.2%	2,957	-336	15.9%	3,817	524
0	7%	52	Inorganic chemicals	576	2.9%	593	17	-4.5%	550	-26	22.0%	703	127
0	2%	88	Photographic apparatus,optical goods,watches	1,855	-1.6%	1,825	-30	-6.7%	1,730	-125	14.3%	2,120	265
0	27%	26	Textile fibres (except wool tops) and their wastes	112	21.8%	136	24	22.1%	137	25	37.8%	154	42
0	29%	23	Crude rubber (including synthetic and reclaimed)	100	-1.1%	99	-1	-0.9%	99	-1	90.1%	190	90
0	5%	51	Organic chemicals	462	-3.8%	444	-18	-11.3%	410	-52	30.1%	601	139
0	47%	00	Live animals chiefly for food	36	2.4%	37	1	62.9%	59	23	74.4%	63	27
0	20%	61	Leather,leather manuf.,n.e.s.and dressed furskisg	70	-1.7%	69	-1	0.0%	70	0	63.0%	114	44
0		57	Explosives & pyrotechnic products			19	19		24	24		-22	-22
0	13%	94	Animals,live,zoo animals,dogs,cats etc.	19	2.6%	19	0	-0.4%	19	-0	38.2%	26	7
0	1%	56	Fertilizers,manufactured	181	-1.7%	178	-3	-18.9%	147	-34	24.6%	226	45
0	0%	12	Tobacco and tobacco manufactures	498	-0.6%	495	-3	-11.8%	439	-59	13.0%	563	65
0		32	Coal,coke and briquettes			0	0		0	0		-0	-0
-		21	Hides,skins and furskins,raw			-	-		-	-		-	-
-		25	Pulp and waste paper			-	-		-	-		-	-
-		35	Electric current			-	-		-	-		-	-
-		41	Animal oils & fats			-	-		-	-		-	-
-		95	Arms,of war and ammunition therefor			-	-		-	-		-	-
-		96	Coin (other than gold)			-	-		-	-		-	-
-0		99	Unclassified			8	8		15	15		-25	-25
-0	0%	73	Metalworking machinery	297	-1.4%	293	-4	-15.0%	252	-45	16.0%	344	47
-0	-7%	28	Metalliferous ores and metal scrap	23	-1.0%	23	-0	-28.8%	16	-7	8.0%	25	2
-0	-7%	97	Gold, non-monetary (excluding gold ores and concentr	28	-1.0%	28	-0	-28.8%	20	-8	8.1%	30	2
-0	0%	83	Travel goods,handbags and simliair containers	642	-1.9%	630	-12	-17.2%	532	-110	17.7%	756	114
-0	-4%	68	Non-ferrous metals	1,162	-9.2%	1,055	-107	-25.4%	867	-295	23.7%	1,437	275
-0	-1%	69	Manufactures of metal,n e s.	11,962	-7.3%	11,092	-870	-18.0%	9,809	-2,153	22.8%	14,685	2,723
-0	-11%	27	Crude fertilizers and crude materials (excl.coal)	1,249	-1.1%	1,235	-14	-20.1%	998	-251	-13.3%	1,083	-166
-0	-10%	43	Animal-vegetable oils-fats,processed,and waxes	1,971	-8.5%	1,804	-167	-32.0%	1,339	-632	9.1%	2,150	179
-0	-5%	67	Iron and steel	4,856	-7.5%	4,493	-363	-29.5%	3,423	-1,433	21.1%	5,880	1,024
-0	-8%	42	Fixed vegetable oils and fats	3,914	-8.4%	3,583	-331	-26.6%	2,873	-1,041	10.8%	4,338	424
32	11%		TOTALS and Average Changes	278,397	-0.1%	278,171	-226	-1.1%	275,308	-3,089	35.1%	376,223	97,826

TANZANIA EXPORTS (US$ m)

Exports	Scenarios			
to regions:	Base '95	Base '15	REPA	U Lib
SACU	5	5	5	5
SADC	3	5	5	4
EU	247	254	280	314
ROW	506	507	521	493
Total	761	771	810	815

Change in exports		Base '15 Base '95	REPA Base '95	U Lib Base '95
SACU		11.3%	14.3%	5.1%
SADC		32.5%	30.8%	9.8%
EU		2.6%	13.2%	26.8%
ROW		0.3%	2.9%	-2.5%
Total		1.3%	6.5%	7.1%

Share in	Scenarios			
exports	Base '95	Base '15	REPA	U Lib
SACU	1%	1%	1%	1%
SADC	0%	1%	1%	0%
EU	32%	33%	35%	38%
ROW	66%	66%	64%	60%

TANZANIA IMPORTS (US$ m)

Imports	Scenarios			
from:	Base '95	Base '15	REPA	U Lib
SACU	156	192	184	184
SADC	11	11	10	10
EU	407	392	592	537
ROW	561	541	451	799
Total	1,135	1,137	1,236	1,529

Change in imports		Base '15 Base '95	REPA Base '95	U Lib Base '95
SACU		23.3%	17.6%	17.8%
SADC		4.6%	-5.5%	-8.9%
EU		-3.6%	45.4%	31.9%
ROW		-3.6%	-19.6%	42.5%
Total		0.2%	8.9%	34.8%

Share in	Scenarios			
imports	Base '95	Base '15	REPA	U Lib
SACU	14%	17%	15%	12%
SADC	1%	1%	1%	1%
EU	36%	34%	48%	35%
ROW	49%	48%	36%	52%

TANZANIA BALANCE OF TRADE (US$ m)

BOT with	Scenarios			
regions:	Base '95	Base '15	REPA	U Lib
SACU	-152	-187	-178	-179
SADC	-7	-7	-6	-6
EU	-160	-139	-312	-223
ROW	-55	-33	70	-306
Total	-374	-366	-426	-714

TANZANIA EXPORTS - TOTAL (US$ 000)

Av Diff US$m	% '95	SITC2	DESCRIPTION	Base '95 US$th	Base 2015 Change	Base 2015 US$th	Base 2015 Difference	REPA Change	REPA US$th	REPA Difference	Unilateral Liberalisation Change	Unilateral Liberalisation US$th	Unilateral Liberalisation Difference
34	230%	84	Articles of apparel and clothing accessories	14,640	32.3%	19,365	4,725	163.4%	38,561	23,921	495.7%	87,207	72,567
14	65%	65	Textile yarn,fabrics,made-upart.,related products	22,128	11.2%	24,605	2,477	54.6%	34,203	12,075	130.4%	50,988	28,860
5	231%	61	Leather,leather manuf.,n.e.s.and dressed furskisg	2,298	31.4%	3,019	721	163.1%	6,045	3,747	498.8%	13,760	11,462
2	4%	03	Fish,crustaceans,mollucs,preparations thereof	44,197	1.5%	44,850	653	4.6%	46,248	2,051	5.0%	46,423	2,226
1	4%	21	Hides,skins and furskins,raw	13,673	1.5%	13,875	202	4.6%	14,307	634	5.0%	14,362	689
0	0%	26	Textile fibres (except wool tops) and their wastes	103,048	1.1%	104,206	1,158	4.0%	107,207	4,159	-4.2%	98,685	-4,363
0	2%	05	Vegetables and fruit	13,181	5.7%	13,938	757	5.9%	13,954	773	-4.9%	12,538	-643
0	0%	07	Coffee,tea,cocoa,spices,manufactures thereof	159,367	1.0%	160,918	1,551	3.9%	165,648	6,281	-4.4%	152,382	-6,985
0	4%	94	Animals,live,zoo animals,dogs,cats etc.	1,878	1.5%	1,906	28	4.6%	1,965	87	5.0%	1,973	95
0	11%	69	Manufactures of metal,n.e.s.	483	22.2%	590	107	18.2%	571	88	-6.7%	451	-32
0	2%	78	Road vehicles (incl. air cushion vehicles	2,113	2.9%	2,174	61	6.3%	2,246	133	-3.0%	2,049	-64
0	2%	08	Feeding stuff for animals,not incl.unmil.cereals	2,563	2.6%	2,629	66	5.0%	2,690	127	-2.8%	2,492	-71
0	0%	29	Crude animal and vegetable materials,n.e.s.	9027	1.1%	9,130	103	4.0%	9,392	365	-4.2%	8,646	-381
0	0%	22	Oil seeds and oleaginous fruit	10,525	1.0%	10,627	102	3.9%	10,940	415	-4.4%	10,063	-462
0	0%	24	Cork and wood	2,891	1.0%	2,919	28	3.9%	3,005	114	-4.4%	2,764	-127
0	4%	67	Iron and steel	124	15.4%	143	19	10.7%	137	13	-14.1%	107	-17
0		62	Rubber manufactures,n.e.s.			1	1		1	1		1	1
0	0%	23	Crude rubber (including synthetic and reclaimed)	79	1.0%	80	1	3.9%	82	3	-4.4%	76	-3
0		09	Miscel.edible products and preparations			0	0		0	0		0	0
0		11	Beverages			0	0		0	0		0	0
-		02	Dairy products and birds'eggs			-	-		-	-		-	-
-		32	Coal,coke and briquettes			-	-		-	-		-	-
-		35	Electric current			-	-		-	-		-	-
-		41	Animal oils & fats			-	-		-	-		-	-
-		42	Fixed vegetable oils and fats			-	-		-	-		-	-
-		56	Fertilizers,manufactured			-	-		-	-		-	-
-		57	Explosives & pyrotechnic products			-	-		-	-		-	-
-		96	Coin (other than gold)			-	-		-	-		-	-
-0	-3%	81	Sanitary,plumbing,heating and lighting fixtures	5	0.0%	5	0	0.4%	5	0	-9.4%	5	-0
-0		85	Footwear			0	0		0	0		-1	-1
-0	-4%	73	Metalworking machinery	36	-0.5%	36	-0	-0.2%	36	-0	-9.9%	32	-4
-0	-1%	87	Professional,scientific & controling instruments	189	2.4%	194	5	2.8%	194	5	-7.5%	175	-14
-0	-3%	76	Telecommunications & sound recording apparatus	54	0.2%	54	0	0.6%	54	0	-9.3%	49	-5
-0	-2%	75	Office machines & automatic data processing equip.	71	0.9%	72	1	1.2%	72	1	-8.7%	65	-6
-0	-4%	83	Travel goods,handbags and simliair containers	44	-0.5%	44	-0	-0.2%	44	-0	-9.9%	40	-4
-0	-2%	82	Furniture and parts thereof	70	-0.3%	70	-0	-0.5%	70	-0	-6.4%	66	-4
-0	-4%	95	Arms,of war and ammunition therefor	51	-0.5%	51	-0	-0.2%	51	-0	-9.9%	46	-5
-0	-2%	74	General industrial machinery & equipment,and parts	120	1.5%	122	2	1.8%	122	2	-8.3%	110	-10
-0		00	Live animals chiefly for food			-1	-1		-3	-3		-4	-4
-0	-7%	58	Artif.resins,plastic mat.,cellulose esters/ethers	39	-5.2%	37	-2	-5.4%	37	-2	-10.4%	35	-4
-0	-7%	54	Medicinal and pharmaceutical products	59	-5.2%	56	-3	-5.4%	56	-3	-10.4%	53	-6
-0	-7%	51	Organic chemicals	72	-4.8%	69	-3	-5.0%	68	-4	-10.1%	65	-7
-0	-11%	34	Gas,natural and manufactured	46	-1.9%	45	-1	-9.4%	42	-4	-21.9%	36	-10
-0	-17%	01	Meat and meat preparations	32	2.5%	33	1	-13.0%	28	-4	-41.5%	19	-13
-0	0%	79	Other transport equipment	1,280	-0.5%	1,274	-6	3.1%	1,319	39	-3.9%	1,230	-50
-0	-4%	88	Photographic apparatus,optical goods,watches	160	-0.5%	159	-1	-0.2%	160	-0	-9.9%	144	-16
-0	-4%	77	Electrical machinery,apparatus & appliances n.e.s.	255	-0.5%	254	-1	-0.2%	255	-0	-9.9%	230	-25
-0	-2%	72	Machinery specialized for particular industries	540	1.1%	546	6	1.5%	548	8	-8.5%	494	-46
-0	-7%	55	Essential oils & perfume mat.;toilet-cleansing mat	159	-5.2%	151	-8	-5.4%	150	-9	-10.4%	142	-17
-0	-7%	59	Chemical materials and products,n.e.s.	163	-5.2%	155	-8	-5.4%	154	-9	-10.4%	146	-17
-0	-18%	97	Gold, non-monetary (excluding gold ores and concentr	114	-1.9%	112	-2	-12.3%	100	-14	-40.7%	68	-46
-0	-7%	52	Inorganic chemicals	306	-5.2%	290	-16	-5.4%	290	-16	-10.4%	274	-32
-0	-6%	43	Animal-vegetable oils-fats,processed,and waxes	898	-1.7%	883	-15	-2.5%	876	-22	-14.2%	770	-128
-0	-7%	63	Cork and wood manufactures (excl.furniture)	968	-5.0%	919	-49	-5.2%	918	-50	-10.3%	868	-100
-0	-6%	64	Paper,paperboard,artic.of paper,paper-pulp/board	1,218	-3.8%	1,172	-46	-3.9%	1,170	-48	-9.3%	1,105	-113
-0	-4%	93	Special transactions and commodities not classified ac	1,963	-0.5%	1,953	-10	-0.2%	1,960	-3	-9.9%	1,768	-195
-0	-7%	53	Dyeing,tanning and colouring materials	1,297	-5.2%	1,230	-67	-5.4%	1,227	-70	-10.4%	1,162	-135
-0	-34%	04	Cereals and cereal preparations	286	-29.2%	203	-83	-29.9%	200	-86	-42.8%	164	-122
-0	-2%	89	Miscellaneous manufactured articles,n.e.s.	4,345	0.7%	4,375	30	1.0%	4,390	45	-8.9%	3,958	-387
-0	-7%	25	Pulp and waste paper	1,698	-5.2%	1,610	-88	-5.4%	1,606	-92	-10.4%	1,521	-177
-0	-3%	71	Power generating machinery and equipment	4,888	-0.5%	4,866	-22	-0.1%	4,883	-5	-9.9%	4,406	-482
-0	-18%	27	Crude fertilizers and crude materials (excl.coal)	995	-1.9%	976	-19	-12.3%	873	-122	-40.7%	590	-405
-0	-14%	33	Petroleum,petroleum products and related materials	1,453	-2.6%	1,415	-38	-11.9%	1,279	-174	-26.8%	1,064	-389
-0	-18%	28	Metalliferous ores and metal scrap	1,121	-1.9%	1,099	-22	-12.3%	983	-138	-40.7%	665	-456
-1	-7%	06	Sugar,sugar preparations and honey	7,745	-0.7%	7,689	-56	-2.1%	7,585	-160	-17.4%	6,394	-1,351
-1	-4%	12	Tobacco and tobacco manufactures	28,516	-0.5%	28,368	-148	-0.2%	28,467	-49	-9.9%	25,691	-2,825
-2	-15%	66	Non-metallic mineral manufactures,n e.s.	16,077	-2.1%	15,746	-331	-8.5%	14,708	-1,369	-33.1%	10,749	-5,328
-5	-15%	68	Non-ferrous metals	33,644	-2.1%	32,950	-694	-8.5%	30,777	-2,867	-33.1%	22,492	-11,152
-9	-4%	99	Unclassified	247,726	-0.5%	246,442	-1,284	-0.2%	247,304	-422	-9.9%	223,185	-24,541
38	5%		TOTALS and Average Changes	760,918	1.3%	770,694	9,776	6.5%	810,260	49,342	7.1%	815,035	54,117

TANZANIA IMPORTS - TOTAL (US$ 000)

Av Diff US$m	% '95	SITC2	DESCRIPTION	Base '95 US$th	Base 2015 Change	Base 2015 US$th	Base 2015 Difference	REPA Change	REPA US$th	REPA Difference	Unilateral Liberalisation Change	Unilateral Liberalisation US$th	Unilateral Liberalisation Difference
48	104%	65	Textile yarn,fabrics,made-upart.,related products	46,484	29.0%	59,950	13,466	52.5%	70,889	24,405	230.6%	153,682	107,198
19	62%	26	Textile fibres (except wool tops) and their wastes	31,195	-1.1%	30,860	-335	86.8%	58,277	27,082	99.2%	62,151	30,956
17	24%	33	Petroleum,petroleum products and related materials	71,493	13.9%	81,441	9,948	23.0%	87,963	16,470	34.3%	95,998	24,505
9	25%	84	Articles of apparel and clothing accessories	34,850	6.4%	37,066	2,216	3.3%	35,990	1,140	64.3%	57,261	22,411
6	26%	06	Sugar,sugar preparations and honey	22,046	4.9%	23,132	1,086	8.9%	24,013	1,967	64.3%	36,222	14,176
5	13%	69	Manufactures of metal,n.e.s.	40,416	-8.3%	37,064	-3,352	18.2%	47,764	7,348	29.9%	52,512	12,096
5	25%	54	Medicinal and pharmaceutical products	20,582	-4.6%	19,630	-952	34.1%	27,608	7,026	45.1%	29,858	9,276
5	15%	67	Iron and steel	31,816	-8.0%	29,257	-2,559	23.9%	39,409	7,593	30.6%	41,547	9,731
4	12%	04	Cereals and cereal preparations	38,328	-3.0%	37,171	-1,157	8.8%	41,688	3,360	29.3%	49,552	11,224
4	16%	85	Footwear	26,024	-8.6%	23,777	-2,247	-4.9%	24,754	-1,270	61.9%	42,129	16,105
4	71%	09	Miscel.edible products and preparations	5,687	-0.2%	5,677	-10	113.9%	12,163	6,476	99.9%	11,371	5,684
4	19%	59	Chemical materials and products,n.e.s.	19,134	-3.1%	18,544	-590	21.8%	23,303	4,169	39.0%	26,596	7,462
3	22%	58	Artif.resins,plastic mat.,cellulose esters/ethers	15557	-2.1%	15,229	-328	27.8%	19,882	4,325	39.4%	21,679	6,122
3	1%	78	Road vehicles (incl. air cushion vehicles	208,959	-1.9%	204,971	-3,988	-8.7%	190,682	-18,277	15.1%	240,435	31,476
2	5%	72	Machinery specialized for particular industries	44,115	-1.3%	43,552	-563	8.2%	47,724	3,609	9.5%	48,295	4,180
2	14%	66	Non-metallic mineral manufactures,n.e.s.	15,836	-8.4%	14,511	-1,325	19.4%	18,908	3,072	30.2%	20,621	4,785
2	5%	74	General industrial machinery & equipment,and parts	39,605	-1.1%	39,177	-428	8.7%	43,057	3,452	8.9%	43,111	3,506
2		97	Gold, non-monetary (excluding gold ores and concentrates)			-1	-1		4,771	4,771		1,416	1,416
2	13%	62	Rubber manufactures,n.e.s.	15,118	-4.1%	14,500	-618	7.3%	16,223	1,105	36.1%	20,580	5,462
2	13%	55	Essential oils & perfume mat.;toilet-cleansing mat	12,752	5.1%	13,401	649	11.6%	14,228	1,476	23.6%	15,760	3,008
2	17%	64	Paper,paperboard,artic.of paper,paper-pulp/board	9,321	3.5%	9,649	328	20.3%	11,210	1,889	28.6%	11,987	2,666
2	23%	52	Inorganic chemicals	6,789	-1.5%	6,687	-102	31.3%	8,911	2,122	39.5%	9,470	2,681
1	21%	51	Organic chemicals	6,892	-2.6%	6,715	-177	27.1%	8,763	1,871	39.8%	9,638	2,746
1	3%	77	Electrical machinery,apparatus & appliances n.e.s.	47,284	-0.7%	46,934	-350	-0.7%	46,931	-353	10.5%	52,246	4,962
1	13%	05	Vegetables and fruit	10,183	-7.2%	9,445	-738	6.0%	10,795	612	40.5%	14,309	4,126
1	3%	71	Power generating machinery and equipment	50,851	-1.6%	50,013	-838	-4.4%	48,589	-2,262	13.7%	57,822	6,971
1	31%	23	Crude rubber (including synthetic and reclaimed)	3,901	1.4%	3,956	55	6.8%	4,168	267	84.9%	7,214	3,313
1	12%	56	Fertilizers,manufactured	9,040	5.3%	9,520	480	8.2%	9,784	744	22.2%	11,051	2,011
1	18%	82	Furniture and parts thereof	5,366	-2.1%	5,251	-115	19.5%	6,414	1,048	36.9%	7,346	1,980
1	19%	02	Dairy products and birds'eggs	4,856	5.4%	5,119	263	22.0%	5,923	1,067	30.2%	6,323	1,467
1	7%	79	Other transport equipment	11,242	-0.9%	11,143	-99	18.5%	13,321	2,079	4.8%	11,778	536
1	6%	75	Office machines & automatic data processing equip.	13,701	-1.4%	13,511	-190	9.8%	15,039	1,338	9.3%	14,979	1,278
1	73%	08	Feeding stuff for animals,not incl.unmil.cereals	1,068	-0.1%	1,067	-1	119.2%	2,341	1,273	100.3%	2,139	1,071
1	2%	89	Miscellaneous manufactured articles,n.e.s.	28,640	-1.6%	28,184	-456	-5.4%	27,102	-1,538	13.8%	32,596	3,956
1	52%	61	Leather,leather manuf.,n.e.s.and dressed furskisg	1,259	-9.3%	1,141	-118	107.1%	2,607	1,348	57.6%	1,985	726
1	35%	07	Coffee,tea,cocoa,spices,manufactures thereof	1,839	-0.5%	1,830	-9	14.3%	2,103	264	90.2%	3,497	1,658
1	22%	53	Dyeing,tanning and colouring materials	2,632	1.0%	2,657	25	29.0%	3,396	764	35.1%	3,556	924
1	4%	87	Professional,scientific & controling instruments	14,181	-1.5%	13,966	-215	0.0%	14,179	-2	12.2%	15,913	1,732
0	29%	41	Animal oils & fats	1,648	-8.5%	1,508	-140	57.8%	2,601	953	38.5%	2,283	635
0	1%	76	Telecommunications & sound recording apparatus	52,983	-0.3%	52,838	-145	-8.5%	48,462	-4,521	11.4%	59,018	6,035
0	15%	68	Non-ferrous metals	2,504	-8.5%	2,292	-212	23.2%	3,085	581	30.9%	3,279	775
0	61%	29	Crude animal and vegetable materials,n.e.s.	602	4.1%	627	25	91.8%	1,154	552	87.3%	1,128	526
0	13%	03	Fish,crustaceans,mollucs,preparations thereof	1,988	2.5%	2,039	51	-0.5%	1,979	-9	38.0%	2,743	755
0	5%	88	Photographic apparatus,optical goods,watches	4,916	-1.6%	4,836	-80	6.4%	5,233	317	10.8%	5,448	532
0	2%	11	Beverages	10,278	3.4%	10,632	354	4.0%	10,693	415	-1.1%	10,168	-110
0	4%	81	Sanitary,plumbing,heating and lighting fixtures	4,684	-1.5%	4,614	-70	0.9%	4,728	44	11.9%	5,243	559
0	11%	63	Cork and wood manufactures (excl.furniture)	1,558	-3.6%	1,502	-56	2.3%	1,594	36	33.8%	2,085	527
0	63%	24	Cork and wood	232	-1.1%	229	-3	90.1%	441	209	99.7%	463	231
0	32%	00	Live animals chiefly for food	432	1.6%	439	7	38.3%	598	166	55.4%	671	239
0	6%	73	Metalworking machinery	2,115	-0.3%	2,108	-7	12.9%	2,387	272	5.9%	2,241	126
0	28%	28	Metalliferous ores and metal scrap	393	-1.0%	389	-4	52.0%	597	204	32.1%	519	126
0		57	Explosives & pyrotechnic products			170	170		213	213		-191	-191
0	7%	25	Pulp and waste paper	649	-1.8%	638	-11	-5.4%	614	-35	28.8%	836	187
0	46%	22	Oil seeds and oleaginous fruit	91	-1.0%	90	-1	44.0%	131	40	94.6%	177	86
0	42%	32	Coal,coke and briquettes	97	-3.8%	93	-4	55.2%	151	54	74.1%	169	72
0	2%	12	Tobacco and tobacco manufactures	1,648	3.3%	1,702	54	4.4%	1,721	73	-0.8%	1,635	-13
0	21%	34	Gas,natural and manufactured	151	17.5%	177	26	17.7%	178	27	26.4%	191	40
0	98%	01	Meat and meat preparations	18	98.3%	36	18	148.7%	45	27	46.6%	26	8
0	13%	94	Animals,live,zoo animals,dogs,cats etc.	20	2.6%	21	1	-0.4%	20	-0	38.2%	28	8
-		21	Hides,skins and furskins,raw			-	-		-	-		-	-
-		35	Electric current			-	-		-	-		-	-
-		96	Coin (other than gold)			-	-		-	-		-	-
-0	-1%	95	Arms,of war and ammunition therefor	94	-1.9%	92	-2	-18.2%	77	-17	18.0%	111	17
-0	0%	83	Travel goods,handbags and similalr containers	4,591	-1.9%	4,502	-89	-16.8%	3,820	-771	17.7%	5,401	810
-0		99	Unclassified			488	488		871	871		-1,434	-1,434
-0	-5%	27	Crude fertilizers and crude materials (excl.coal)	671	-1.1%	664	-7	-10.2%	602	-69	-2.5%	654	-17
-0	-1%	93	Special transactions and commodities not classified ac	18,845	-1.9%	18,481	-364	-18.2%	15,409	-3,436	18.0%	22,243	3,398
-2	-10%	42	Fixed vegetable oils and fats	25,034	-8.4%	22,920	-2,114	-30.0%	17,524	-7,510	9.7%	27,468	2,434
-3	-10%	43	Animal-vegetable oils-fats,processed,and waxes	29,448	-8.4%	26,987	-2,461	-30.4%	20,482	-8,966	9.6%	32,265	2,817
166	15%		TOTALS and Average Changes	1,134,732	0.2%	1,136,812	2,080	8.9%	1,236,282	101,550	34.8%	1,529,490	394,758

ZAMBIA EXPORTS (US$ m)

Exports	Scenarios			
to regions:	Base '95	Base '15	REPA	U Lib
SACU	26	32	32	27
SADC	16	19	19	17
EU	227	228	234	220
ROW	955	941	904	724
Total	1,224	1,220	1,189	988

Change in exports		Base '15 Base '95	REPA Base '95	U Lib Base '95
SACU		21.2%	20.1%	1.3%
SADC		21.3%	22.2%	8.0%
EU		0.2%	2.8%	-3.1%
ROW		-1.5%	-5.3%	-24.2%
Total		-0.4%	-2.9%	-19.3%

Share in	Scenarios			
exports	Base '95	Base '15	REPA	U Lib
SACU	2%	3%	3%	3%
SADC	1%	2%	2%	2%
EU	19%	19%	20%	22%
ROW	78%	77%	76%	73%

ZAMBIA IMPORTS (US$ m)

Imports	Scenarios			
from:	Base '95	Base '15	REPA	U Lib
SACU	358	409	367	353
SADC	95	107	99	95
EU	199	194	267	243
ROW	235	229	190	324
Total	888	940	923	1,015

Change in imports		Base '15 Base '95	REPA Base '95	U Lib Base '95
SACU		14.4%	2.6%	-1.4%
SADC		12.4%	3.6%	-0.3%
EU		-2.5%	33.9%	21.9%
ROW		-2.3%	-19.1%	37.9%
Total		5.9%	4.0%	14.4%

Share in	Scenarios			
imports	Base '95	Base '15	REPA	U Lib
SACU	40%	44%	40%	35%
SADC	11%	11%	11%	9%
EU	22%	21%	29%	24%
ROW	26%	24%	21%	32%

ZAMBIA BALANCE OF TRADE (US$ m)

BOT with	Scenarios			
regions:	Base '95	Base '15	REPA	U Lib
SACU	-332	-377	-336	-326
SADC	-80	-88	-80	-78
EU	28	34	-33	-23
ROW	720	711	714	400
Total	337	279	266	-27

ZAMBIA EXPORTS - TOTAL (US$ 000)

Av Diff US$m	% '95	SITC2	DESCRIPTION	Base '95 US$th	Base 2015 Change	Base 2015 US$th	Base 2015 Difference	REPA Change	REPA US$th	REPA Difference	Unilateral Liberalisation Change	Unilateral Liberalisation US$th	Unilateral Liberalisation Difference
23	65%	65	Textile yarn,fabrics,made-upart.,related products	35,586	11.8%	39,775	4,189	54.7%	55,053	19,467	128.7%	81,380	45,794
3	223%	61	Leather,leather manuf.,n.e.s.and dressed furskisg	1,508	43.2%	2,159	651	167.6%	4,035	2,527	457.7%	8,410	6,902
1	219%	84	Articles of apparel and clothing accessories	522	48.8%	777	255	169.8%	1,408	886	437.9%	2,808	2,286
1	18%	77	Electrical machinery,apparatus & appliances n.e.s.	4,397	22.7%	5,397	1,000	22.8%	5,400	1,003	9.3%	4,808	411
1	41%	56	Fertilizers,manufactured	1,315	46.4%	1,925	610	46.1%	1,921	606	31.9%	1,735	420
0	34%	78	Road vehicles (incl. air cushion vehicles	1,410	46.0%	2,058	648	47.9%	2,086	676	8.2%	1,525	115
0	5%	26	Textile fibres (except wool tops) and their wastes	6,105	6.6%	6,508	403	7.5%	6,562	457	1.2%	6,178	73
0	42%	59	Chemical materials and products,n e s	491	46.4%	719	228	46.1%	718	227	32.0%	648	157
0	42%	62	Rubber manufactures,n.e.s.	372	46.7%	546	174	46.4%	545	173	32.2%	492	120
0	21%	72	Machinery specialized for particular industries	621	25.4%	779	158	25.4%	779	158	11.5%	693	72
0	5%	22	Oil seeds and oleaginous fruit	2,682	6.0%	2,844	162	7.1%	2,874	192	0.7%	2,700	18
0	187%	85	Footwear	60	94.0%	116	56	187.3%	172	112	280.2%	228	168
0	32%	63	Cork and wood manufactures (excl.furniture)	233	36.0%	317	84	35.7%	316	83	23.4%	287	54
0	14%	74	General industrial machinery & equipment,and parts	505	18.4%	598	93	18.5%	598	93	5.7%	534	29
0	4%	67	Iron and steel	1,231	15.8%	1,425	194	11.2%	1,368	137	-13.7%	1,063	-168
0	7%	76	Telecommunications & sound recording apparatus	739	10.7%	818	79	10.9%	819	80	-0.7%	734	-5
0	15%	71	Power generating machinery and equipment	344	18.8%	409	65	18.9%	409	65	6.0%	365	21
0	5%	24	Cork and wood	976	6.6%	1,041	65	7.5%	1,049	73	1.2%	988	12
0	41%	53	Dyeing,tanning and colouring materials	111	46.4%	162	51	46.1%	162	51	31.9%	146	35
0	3%	52	Inorganic chemicals	1,542	5.4%	1,626	84	5.2%	1,622	80	-1.7%	1,515	-27
0	1%	07	Coffee,tea,cocoa,spices,manufactures thereof	6,409	1.6%	6,510	101	4.3%	6,686	277	-3.8%	6,166	-243
0	4%	93	Special transactions and commodities not classified ac	893	7.9%	964	71	8.2%	966	73	-2.9%	867	-26
0	30%	55	Essential oils & perfume mat.;toilet-cleansing mat	117	34.5%	157	40	34.2%	157	40	22.1%	143	26
0	8%	89	Miscellaneous manufactured articles,n.e.s.	350	11.7%	391	41	11.9%	392	42	0.2%	351	1
0	25%	64	Paper,paperboard,artic.of paper,paper-pulp/board	104	28.9%	134	30	28.7%	134	30	17.6%	122	18
0	3%	21	Hides,skins and furskins,raw	651	1.3%	659	8	4.2%	678	27	4.3%	679	28
0	6%	75	Office machines & automatic data processing equip.	309	9.6%	339	30	9.8%	339	30	-1.5%	304	-5
0	29%	88	Photographic apparatus,optical goods,watches	54	34.4%	73	19	34.4%	73	19	19.0%	64	10
0	0%	29	Crude animal and vegetable materials,n.e.s.	6,305	1.0%	6,370	65	4.0%	6,556	251	-4.3%	6,032	-273
0	28%	54	Medicinal and pharmaceutical products	44	31.7%	58	14	31.4%	58	14	19.9%	53	9
0	5%	08	Feeding stuff for animals,not incl.unmil.cereals	184	6.6%	196	12	7.5%	198	14	1.2%	186	2
0	1%	03	Fish,crustaceans,mollucs,preparations thereof	508	0.2%	509	1	2.3%	520	12	1.2%	514	6
0	19%	51	Organic chemicals	34	22.1%	42	8	21.9%	41	7	12.0%	38	4
0	15%	82	Furniture and parts thereof	32	17.9%	38	6	17.7%	38	6	8.6%	35	3
0	10%	11	Beverages	38	14.2%	43	5	14.4%	43	5	2.3%	39	1
0	5%	43	Animal-vegetable oils-fats,processed,and waxes	78	9.8%	86	8	9.1%	85	7	-5.4%	74	-4
0	3%	94	Animals,live,zoo animals,dogs,cats etc.	44	1.1%	44	0	4.0%	46	2	3.9%	46	2
0		73	Metalworking machinery			1	1		1	1		1	1
0		32	Coal,coke and briquettes			0	0		0	0		1	1
0		81	Sanitary,plumbing,heating and lighting fixtures			0	0		0	0		0	0
0		09	Miscel.edible products and preparations			0	0		0	0		0	0
-		01	Meat and meat preparations			-	-		-	-		-	-
-		02	Dairy products and birds'eggs			-	-		-	-		-	-
-		23	Crude rubber (including synthetic and reclaimed)			-	-		-	-		-	-
-		25	Pulp and waste paper			-	-		-	-		-	-
-		34	Gas,natural and manufactured			-	-		-	-		-	-
-		35	Electric current			-	-		-	-		-	-
-		41	Animal oils & fats			-	-		-	-		-	-
-		42	Fixed vegetable oils and fats			-	-		-	-		-	-
-		57	Explosives & pyrotechnic products			-	-		-	-		-	-
-		58	Artif.resins,plastic mat.,cellulose esters/ethers			-	-		-	-		-	-
-		95	Arms,of war and ammunition therefor			-	-		-	-		-	-
-		96	Coin (other than gold)			-	-		-	-		-	-
-		97	Gold, non-monetary (excluding gold ores and concentrates)			-	-		-	-		-	-
-0	-4%	00	Live animals chiefly for food	8	-2.6%	8	-0	-3.0%	8	-0	-7.6%	7	-1
-0	-11%	33	Petroleum,petroleum products and related materials	5	-1.9%	5	-0	-9.4%	5	-0	-21.9%	4	-1
-0	-4%	83	Travel goods,handbags and simlialr containers	27	-0.5%	27	-0	-0.2%	27	-0	-9.9%	24	-3
-0	0%	79	Other transport equipment	3,568	-0.2%	3,560	-8	3.3%	3,684	116	-3.9%	3,429	-139
-0	-3%	87	Professional,scientific & controling instruments	1,314	0.4%	1,319	5	0.7%	1,324	10	-9.1%	1,194	-120
-0	-2%	05	Vegetables and fruit	3,495	1.2%	3,535	40	1.3%	3,541	46	-8.1%	3,213	-282
-0	-3%	69	Manufactures of metal,n.e.s.	3,131	8.4%	3,393	262	3.0%	3,224	93	-21.8%	2,450	-681
-0	-3%	12	Tobacco and tobacco manufactures	3,750	-0.1%	3,745	-5	0.2%	3,758	8	-9.6%	3,391	-359
-0	-34%	04	Cereals and cereal preparations	859	-29.4%	606	-253	-30.1%	600	-259	-43.1%	489	-370
-0	-6%	06	Sugar,sugar preparations and honey	5,274	-0.6%	5,240	-34	-1.9%	5,176	-98	-15.6%	4,449	-825
-0	-18%	27	Crude fertilizers and crude materials (excl.coal)	2,044	-1.7%	2,008	-36	-12.0%	1,798	-246	-40.4%	1,219	-825
-1	-9%	66	Non-metallic mineral manufactures,n e.s.	5,700	3.2%	5,883	183	-2.7%	5,545	-155	-27.4%	4,138	-1,562
-1	-11%	28	Metalliferous ores and metal scrap	10,402	3.2%	10,737	335	-5.7%	9,809	-593	-31.8%	7,096	-3,306
-12	-4%	99	Unclassified	345,502	-0.5%	343,738	-1,764	-0.2%	344,940	-562	-9.9%	311,298	-34,204
-108	-14%	68	Non-ferrous metals	762,100	-1.7%	749,146	-12,954	-8.1%	700,214	-61,886	-32.8%	512,510	-249,590
-92	-8%		TOTALS and Average Changes	1,224,083	-0.4%	1,219,564	-4,519	-2.9%	1,188,562	-35,521	-19.3%	987,863	-236,220

ZAMBIA IMPORTS - TOTAL (US$ 000)

Av Diff US$m	% '95	SITC2	DESCRIPTION	Base '95 US$th	Base 2015 Change	Base 2015 US$th	Base 2015 Difference	REPA Change	REPA US$th	REPA Difference	Unilateral Liberalisation Change	Unilateral Liberalisation US$th	Unilateral Liberalisation Difference
25	111%	65	Textile yarn,fabrics,made-upart.,related products	22,220	40.7%	31,262	9,042	69.6%	37,683	15,463	222.3%	71,616	49,396
6	59%	84	Articles of apparel and clothing accessories	9,691	47.4%	14,286	4,595	58.9%	15,396	5,705	69.7%	16,447	6,756
4	4%	72	Machinery specialized for particular industries	81,518	0.3%	81,790	272	7.5%	87,607	6,089	5.7%	86,155	4,637
3	34%	85	Footwear	8,576	20.8%	10,363	1,787	14.2%	9,796	1,220	66.5%	14,282	5,706
3	13%	56	Fertilizers,manufactured	22,004	11.7%	24,574	2,570	13.6%	24,992	2,988	14.3%	25,145	3,141
3	12%	59	Chemical materials and products,n.e.s.	23,335	5.3%	24,568	1,233	8.5%	25,311	1,976	22.4%	28,553	5,218
3	35%	26	Textile fibres (except wool tops) and their wastes	7,259	4.3%	7,570	311	22.4%	8,888	1,629	79.7%	13,041	5,782
2	10%	62	Rubber manufactures,n.e.s.	22,035	6.8%	23,524	1,489	5.3%	23,207	1,172	19.2%	26,262	4,227
2	22%	33	Petroleum,petroleum products and related materials	10,156	16.0%	11,783	1,627	19.7%	12,160	2,004	29.6%	13,163	3,007
2	17%	54	Medicinal and pharmaceutical products	13,022	1.6%	13,225	203	18.1%	15,378	2,356	30.9%	17,044	4,022
2	2%	78	Road vehicles (incl. air cushion vehicles	120,254	4.0%	125,041	4,787	-8.8%	109,708	-10,546	10.2%	132,503	12,249
2	28%	09	Miscel.edible products and preparations	7,794	27.7%	9,953	2,159	30.7%	10,185	2,391	24.4%	9,700	1,906
2	27%	08	Feeding stuff for animals,not incl.unmil.cereals	7578	28.1%	9,707	2,129	29.3%	9,797	2,219	23.4%	9,350	1,772
2	10%	55	Essential oils & perfume mat.;toilet-cleansing mat	16,150	13.2%	18,281	2,131	8.0%	17,436	1,286	10.3%	17,812	1,662
2	9%	64	Paper,paperboard,artc.of paper,paper-pulp/board	17,472	15.2%	20,136	2,664	4.5%	18,252	780	6.1%	18,544	1,072
2	35%	06	Sugar,sugar preparations and honey	4,291	38.1%	5,927	1,636	41.8%	6,083	1,792	25.2%	5,372	1,081
1	10%	58	Artif.resins,plastic mat.,cellulose esters/ethers	14,155	11.9%	15,840	1,685	6.2%	15,037	882	11.7%	15,813	1,658
1	31%	05	Vegetables and fruit	4,225	33.4%	5,637	1,412	35.1%	5,707	1,482	25.3%	5,293	1,068
1	6%	69	Manufactures of metal,n.e.s.	20,314	13.4%	23,036	2,722	2.9%	20,904	590	2.7%	20,855	541
1	11%	66	Non-metallic mineral manufactures,n.e.s.	11,224	11.6%	12,522	1,298	14.8%	12,886	1,662	6.7%	11,979	755
1	5%	67	Iron and steel	23,811	14.6%	27,299	3,488	-0.7%	23,654	-157	0.7%	23,966	155
1	1%	74	General industrial machinery & equipment,and parts	84,614	3.0%	87,180	2,566	-0.2%	84,459	-155	1.0%	85,497	883
1	29%	42	Fixed vegetable oils and fats	3,711	39.9%	5,191	1,480	25.6%	4,661	950	20.3%	4,466	755
1	19%	02	Dairy products and birds'eggs	5,613	22.6%	6,884	1,271	14.6%	6,434	821	19.0%	6,681	1,068
1	10%	82	Furniture and parts thereof	8,588	10.5%	9,490	902	6.2%	9,118	530	13.8%	9,773	1,185
1	8%	52	Inorganic chemicals	10,213	14.1%	11,656	1,443	3.0%	10,519	306	7.4%	10,966	753
1	5%	87	Professional,scientific & controling instruments	17,098	-0.7%	16,980	-118	6.7%	18,252	1,154	8.4%	18,536	1,438
1	39%	29	Crude animal and vegetable materials,n.e.s.	2,041	19.0%	2,430	389	50.2%	3,065	1,024	47.2%	3,005	964
1	8%	51	Organic chemicals	8,365	8.5%	9,075	710	1.1%	8,460	95	15.3%	9,646	1,281
1	25%	41	Animal oils & fats	2,643	40.8%	3,721	1,078	17.9%	3,117	474	17.7%	3,111	468
1	4%	75	Office machines & automatic data processing equip.	14,457	-0.1%	14,447	-10	6.4%	15,376	919	7.0%	15,466	1,009
1	28%	07	Coffee,tea,cocoa,spices,manufactures thereof	2,238	27.1%	2,845	607	30.1%	2,913	675	25.8%	2,815	577
1	14%	53	Dyeing,tanning and colouring materials	3,912	8.7%	4,252	340	14.2%	4,468	556	19.0%	4,654	742
0	11%	63	Cork and wood manufactures (excl.furniture)	4,645	2.5%	4,763	118	4.3%	4,844	199	25.2%	5,817	1,172
0	1%	77	Electrical machinery,apparatus & appliances n.e.s.	30,643	2.3%	31,347	704	-0.8%	30,391	-252	3.0%	31,569	926
0	2%	76	Telecommunications & sound recording apparatus	28,719	-0.8%	28,483	-236	-6.9%	26,725	-1,994	12.3%	32,258	3,539
0	96%	01	Meat and meat preparations	439	118.8%	960	521	124.7%	986	547	43.3%	629	190
0	6%	88	Photographic apparatus,optical goods,watches	6,455	-0.9%	6,400	-55	9.4%	7,064	609	8.1%	6,978	523
0	1%	89	Miscellaneous manufactured articles,n.e.s.	45,999	-0.1%	45,962	-37	-8.8%	41,969	-4,030	11.0%	51,048	5,049
0	27%	22	Oil seeds and oleaginous fruit	1,229	28.3%	1,577	348	28.7%	1,582	353	22.8%	1,509	280
0	3%	71	Power generating machinery and equipment	10,339	1.9%	10,533	194	3.5%	10,702	363	2.9%	10,642	303
0	21%	32	Coal,coke and briquettes	1,358	17.4%	1,595	237	17.7%	1,598	240	26.5%	1,717	359
0		57	Explosives & pyrotechnic products			703	703		881	881		-791	-791
0	6%	68	Non-ferrous metals	3,282	10.9%	3,641	359	1.6%	3,335	53	5.3%	3,455	173
0	27%	23	Crude rubber (including synthetic and reclaimed)	616	24.3%	765	149	24.6%	768	152	32.1%	813	197
0	2%	93	Special transactions and commodities not classified ac	8,819	-1.9%	8,649	-170	-8.9%	8,036	-783	15.6%	10,193	1,374
0	8%	95	Arms,of war and ammunition therefor	1,568	-1.8%	1,540	-28	18.5%	1,858	290	8.0%	1,694	126
0	1%	79	Other transport equipment	15,532	0.3%	15,581	49	-12.5%	13,590	-1,942	14.5%	17,787	2,255
0	32%	00	Live animals chiefly for food	332	1.4%	337	5	38.6%	460	128	54.6%	513	181
0	3%	73	Metalworking machinery	2,765	2.7%	2,839	74	7.6%	2,975	210	-0.2%	2,761	-4
0	9%	43	Animal-vegetable oils-fats,processed,and waxes	968	17.7%	1,139	171	-3.8%	931	-37	14.2%	1,105	137
0	51%	61	Leather,leather manut.,n.e.s.and dressed furskisg	114	38.0%	155	41	49.2%	170	56	68.0%	192	78
0	27%	24	Cork and wood	173	28.2%	222	49	28.5%	222	49	23.1%	213	40
0	1%	11	Beverages	5,487	4.7%	5,746	259	0.6%	5,519	32	-3.3%	5,304	-183
0	1%	03	Fish,crustaceans,mollucs,preparations thereof	1,150	-2.2%	1,125	-25	-3.6%	1,109	-41	9.2%	1,256	106
0	8%	25	Pulp and waste paper	65	16.1%	75	10	3.4%	67	2	4.5%	68	3
0	21%	34	Gas,natural and manufactured	24	17.1%	28	4	17.4%	28	4	27.0%	30	6
0	47%	94	Animals,live,zoo animals,dogs,cats etc.	5	2.6%	5	0	63.0%	8	3	75.6%	9	4
-		21	Hides,skins and furskins,raw			-	-		-	-		-	-
-		35	Electric current			-	-		-	-		-	-
-		96	Coin (other than gold)			-	-		-	-		-	-
-0		97	Gold, non-monetary (excluding gold ores and concentrates)			-0	-0		0	0		-0	-0
-0	-1%	12	Tobacco and tobacco manufactures	921	6.0%	976	55	-2.4%	899	-22	-5.6%	869	-52
-0	0%	83	Travel goods,handbags and similair containers	1,303	-0.4%	1,297	-6	-14.3%	1,116	-187	13.3%	1,476	173
-0		99	Unclassified			181	181		323	323		-531	-531
-0	-1%	81	Sanitary,plumbing,heating and lighting fixtures	10,122	5.0%	10,630	508	-4.9%	9,625	-497	-2.6%	9,857	-265
-0	-10%	27	Crude fertilizers and crude materials (excl.coal)	4,411	-1.1%	4,361	-50	-14.4%	3,775	-636	-15.8%	3,713	-698
-2	-13%	28	Metalliferous ores and metal scrap	15,196	-1.1%	15,023	-173	-17.3%	12,566	-2,630	-20.0%	12,159	-3,037
-10	-18%	04	Cereals and cereal preparations	54,267	-20.4%	43,204	-11,063	-11.8%	47,888	-6,379	-20.6%	43,071	-11,196
72	6%		TOTALS and Average Changes	887,523	5.9%	940,319	52,796	4.0%	922,922	35,399	14.4%	1,014,892	127,369

ZIMBABWE EXPORTS (US$ m)

Exports	Scenarios			
to regions:	Base '95	Base '15	REPA	U Lib
SACU	270	349	364	318
SADC	238	272	271	235
EU	711	726	797	903
ROW	880	877	870	792
Total	2,099	2,224	2,302	2,248

Change in		Base '15	REPA	U Lib
exports		Base '95	Base '95	Base '95
SACU		29.3%	35.1%	17.8%
SADC		14.5%	14.3%	-1.0%
EU		2.1%	12.0%	26.9%
ROW		-0.4%	-1.2%	-10.1%
Total		5.9%	9.7%	7.1%

Share in	Scenarios			
exports	Base '95	Base '15	REPA	U Lib
SACU	13%	16%	16%	14%
SADC	11%	12%	12%	10%
EU	34%	33%	35%	40%
ROW	42%	39%	38%	35%

ZIMBABWE IMPORTS (US$ m)

Imports	Scenarios			
from:	Base '95	Base '15	REPA	U Lib
SACU	1,168	1,374	1,231	1,187
SADC	37	54	52	50
EU	653	635	885	808
ROW	524	515	434	782
Total	2,382	2,578	2,602	2,828

Change in		Base '15	REPA	U Lib
imports		Base '95	Base '95	Base '95
SACU		17.7%	5.4%	1.7%
SADC		43.5%	38.9%	35.3%
EU		-2.7%	35.7%	23.7%
ROW		-1.8%	-17.2%	49.4%
Total		8.2%	9.2%	18.7%

Share in	Scenarios			
imports	Base '95	Base '15	REPA	U Lib
SACU	49%	53%	47%	42%
SADC	2%	2%	2%	2%
EU	27%	25%	34%	29%
ROW	22%	20%	17%	28%

ZIMBABWE BALANCE OF TRADE (US$ m)

BOT with	Scenarios			
regions:	Base '95	Base '15	REPA	U Lib
SACU	-898	-1,026	-866	-869
SADC	200	218	220	185
EU	59	91	-89	95
ROW	357	362	436	9
Total	-282	-354	-300	-580

ZIMBABWE EXPORTS - TOTAL (US$ 000)

Av Diff US$m	% '95	SITC2	DESCRIPTION	Base '95 US$th	Base 2015 Change	Base 2015 US$th	Base 2015 Difference	REPA Change	REPA US$th	REPA Difference	Unilateral Liberalisation Change	Unilateral Liberalisation US$th	Unilateral Liberalisation Difference
140	225%	84	Articles of apparel and clothing accessories	62,412	40.8%	87,849	25,437	166.7%	166,437	104,025	466.1%	353,306	290,894
48	215%	61	Leather,leather manuf.,n.e.s.and dressed furskisg	22,370	54.0%	34,452	12,082	171.8%	60,801	38,431	419.9%	116,295	93,925
39	62%	65	Textile yarn,fabrics,made-upart.,related products	63,422	17.6%	74,608	11,186	56.0%	98,948	35,526	110.9%	133,766	70,344
24	170%	85	Footwear	14,009	119.1%	30,690	16,681	197.0%	41,600	27,591	193.0%	41,042	27,033
6	16%	05	Vegetables and fruit	39,409	20.6%	47,542	8,133	20.7%	47,553	8,144	5.5%	41,578	2,169
6	39%	64	Paper,paperboard,artic.of paper,paper-pulp/board	15,451	43.4%	22,154	6,703	43.1%	22,110	6,659	29.5%	20,005	4,554
5	23%	82	Furniture and parts thereof	21,802	26.8%	27,638	5,836	26.5%	27,583	5,781	15.8%	25,251	3,449
4	41%	55	Essential oils & perfume mat.;toilet-cleansing mat	9,519	45.9%	13,885	4,366	45.6%	13,857	4,338	31.5%	12,519	3,000
3	34%	78	Road vehicles (incl. air cushion vehicles	10,186	45.7%	14,846	4,660	47.7%	15,045	4,859	8.1%	11,014	828
3	41%	56	Fertilizers,manufactured	7,263	46.4%	10,630	3,367	46.1%	10,609	3,346	31.9%	9,582	2,319
3	21%	63	Cork and wood manufactures (excl.furniture)	12,285	24.5%	15,292	3,007	24.2%	15,261	2,976	13.9%	13,997	1,712
2	36%	54	Medicinal and pharmaceutical products	5,993	41.0%	8,449	2,456	40.7%	8,432	2,439	27.5%	7,641	1,648
2	35%	62	Rubber manufactures,n.e.s.	5143	39.3%	7,163	2,020	39.0%	7,149	2,006	26.1%	6,486	1,343
2	16%	72	Machinery specialized for particular industries	9,749	20.3%	11,726	1,977	20.4%	11,736	1,987	7.3%	10,461	712
1	18%	81	Sanitary,plumbing,heating and lighting fixtures	8,009	22.5%	9,812	1,803	22.6%	9,818	1,809	9.1%	8,742	733
1	18%	77	Electrical machinery,apparatus & appliances n.e.s.	7,401	22.4%	9,057	1,656	22.5%	9,063	1,662	9.0%	8,070	669
1	2%	26	Textile fibres (except wool tops) and their wastes	55,268	3.2%	57,025	1,757	5.3%	58,215	2,947	-2.2%	54,056	-1,212
1	7%	08	Feeding stuff for animals,not incl.unmil.cereals	17,341	8.4%	18,794	1,453	8.6%	18,834	1,493	3.0%	17,855	514
1	20%	59	Chemical materials and products,n.e.s.	5,434	23.8%	6,729	1,295	23.6%	6,715	1,281	13.4%	6,162	728
1	16%	74	General industrial machinery & equipment,and parts	6,617	20.6%	7,982	1,365	20.7%	7,989	1,372	7.6%	7,119	502
1	38%	58	Artif.resins,plastic mat.,cellulose esters/ethers	2,478	42.9%	3,540	1,062	42.6%	3,533	1,055	29.0%	3,198	720
1	12%	28	Metalliferous ores and metal scrap	7,569	20.8%	9,141	1,572	16.6%	8,829	1,260	-1.5%	7,454	-115
1	3%	24	Cork and wood	27,464	4.5%	28,700	1,236	6.2%	29,157	1,693	-0.9%	27,222	-242
1	55%	52	Inorganic chemicals	1,451	61.0%	2,336	885	60.7%	2,331	880	43.9%	2,088	637
1	15%	79	Other transport equipment	5,049	20.1%	6,062	1,013	22.9%	6,204	1,155	1.4%	5,121	72
1	17%	83	Travel goods,handbags and simillar containers	4,127	21.3%	5,008	881	21.4%	5,012	885	8.2%	4,465	338
1	3%	01	Meat and meat preparations	25,126	25.3%	31,484	6,358	9.9%	27,623	2,497	-27.5%	18,213	-6,913
1		99	Unclassified			649	649		641	641		537	537
1	27%	42	Fixed vegetable oils and fats	2,135	33.5%	2,851	716	33.0%	2,840	705	12.9%	2,411	276
1	6%	71	Power generating machinery and equipment	7,987	9.9%	8,780	793	10.2%	8,798	811	-1.3%	7,886	-101
0	1%	07	Coffee,tea,cocoa,spices,manufactures thereof	42,099	2.1%	42,990	891	4.7%	44,061	1,962	-3.2%	40,732	-1,367
0	12%	11	Beverages	3,426	16.2%	3,983	557	16.4%	3,988	562	4.0%	3,562	136
0	4%	09	Miscel.edible products and preparations	7,583	5.4%	7,992	409	6.7%	8,093	510	0.0%	7,584	1
0		57	Explosives & pyrotechnic products			260	260		259	259		213	213
0	4%	51	Organic chemicals	6,722	6.1%	7,133	411	5.9%	7,119	397	-1.2%	6,645	-77
0	5%	22	Oil seeds and oleaginous fruit	4,444	6.5%	4,732	288	7.4%	4,773	329	1.1%	4,492	48
0	27%	87	Professional,scientific & controling instruments	798	32.3%	1,056	258	32.3%	1,055	257	17.2%	936	138
0	20%	73	Metalworking machinery	1,075	24.7%	1,341	266	24.8%	1,342	267	11.0%	1,193	118
0	1%	29	Crude animal and vegetable materials,n.e s.	38,702	1.4%	39,241	539	4.2%	40,330	1,628	-4.0%	37,167	-1,535
0	3%	21	Hides,skins and furskins,raw	5,464	1.3%	5,534	70	4.3%	5,697	233	4.4%	5,706	242
0	19%	95	Arms,of war and ammunition therefor	773	23.2%	952	179	23.3%	953	180	9.7%	848	75
0	4%	94	Animals,live,zoo animals,dogs,cats etc.	3,721	1.5%	3,776	55	4.6%	3,894	173	5.1%	3,909	188
0	26%	76	Telecommunications & sound recording apparatus	515	30.8%	673	158	30.7%	673	158	16.0%	597	82
0	0%	66	Non-metallic mineral manufactures,n.e.s.	26,428	12.1%	29,622	3,194	7.1%	28,296	1,868	-17.7%	21,743	-4,685
0	1%	53	Dyeing,tanning and colouring materials	8,755	3.4%	9,053	298	3.2%	9,035	280	-3.4%	8,460	-295
0	9%	75	Office machines & automatic data processing equip.	821	12.6%	925	104	12.8%	926	105	1.0%	829	8
0	15%	43	Animal-vegetable oils-fats,processed,and waxes	421	21.0%	509	88	20.4%	507	86	3.2%	435	14
0	18%	88	Photographic apparatus,optical goods,watches	304	22.8%	373	69	22.9%	374	70	9.4%	333	29
0	0%	00	Live animals chiefly for food	11,241	-0.2%	11,220	-21	1.5%	11,414	173	-0.1%	11,228	-13
0	2%	03	Fish,crustaceans,mollucs,preparations thereof	658	0.5%	661	3	2.7%	676	18	1.9%	670	12
0	41%	25	Pulp and waste paper	10	46.4%	15	5	46.1%	15	5	31.9%	13	3
0	5%	23	Crude rubber (including synthetic and reclaimed)	31	6.6%	33	2	7.5%	33	2	1.2%	31	0
0		41	Animal oils & fats			0	0		0	0		0	0
0		96	Coin (other than gold)			0	0		0	0		0	0
-		35	Electric current			-	-		-	-		-	-
-0	-21%	34	Gas,natural and manufactured	58	-4.8%	55	-3	-19.1%	47	-11	-40.5%	35	-23
-0	-3%	93	Special transactions and commodities not classified ac	1,670	-0.2%	1,667	-3	0.2%	1,673	3	-9.6%	1,509	-161
-0	0%	89	Miscellaneous manufactured articles,n.e.s.	45,860	2.9%	47,197	1,337	3.2%	47,338	1,478	-7.1%	42,620	-3,240
-1	-3%	69	Manufactures of metal,n.e.s.	44,349	9.0%	48,320	3,971	3.6%	45,954	1,605	-21.1%	34,975	-9,374
-2	-11%	02	Dairy products and birds'eggs	14,255	-6.9%	13,270	-985	-8.6%	13,034	-1,221	-17.4%	11,769	-2,486
-2	-15%	32	Coal,coke and briquettes	11,459	-3.0%	11,113	-346	-13.2%	9,949	-1,510	-29.2%	8,118	-3,341
-2	-16%	33	Petroleum,petroleum products and related materials	12,678	-3.2%	12,271	-407	-13.8%	10,927	-1,751	-30.4%	8,828	-3,850
-5	-5%	06	Sugar,sugar preparations and honey	85,030	-0.6%	84,535	-495	-1.7%	83,608	-1,422	-14.1%	73,035	-11,995
-9	-2%	12	Tobacco and tobacco manufactures	489,709	1.3%	496,063	6,354	1.6%	497,665	7,956	-8.4%	448,557	-41,152
-14	-14%	68	Non-ferrous metals	99,687	-1.6%	98,105	-1,582	-8.0%	91,716	-7,971	-32.6%	67,162	-32,525
-15	-16%	27	Crude fertilizers and crude materials (excl coal)	96,257	0.1%	96,309	52	-9.7%	86,880	-9,377	-37.3%	60,396	-35,861
-22	-33%	04	Cereals and cereal preparations	65,620	-28.9%	46,685	-18,935	-29.5%	46,260	-19,360	-41.9%	38,097	-27,523
-30	-12%	67	Iron and steel	238,672	0.0%	238,670	-2	-6.2%	223,758	-14,914	-30.9%	164,925	-73,747
-45	-18%	97	Gold, non-monetary (excluding gold ores and concentr	247,445	-1.9%	242,623	-4,822	-12.3%	217,027	-30,418	-40.7%	146,707	-100,738
159	8%		TOTALS and Average Changes	2,099,209	5.9%	2,223,832	124,623	9.7%	2,302,073	202,864	7.1%	2,247,601	148,392

ZIMBABWE IMPORTS - TOTAL (US$ 000)

Av Diff US$m	% '95	SITC2	DESCRIPTION	Base '95 US$th	Base 2015 Change	Base 2015 US$th	Base 2015 Difference	REPA Change	REPA US$th	REPA Difference	Unilateral Liberalisation Change	Unilateral Liberalisation US$th	Unilateral Liberalisation Difference
125	117%	65	Textile yarn,fabrics,made-upart.,related products	106,784	46.2%	156,084	49,300	86.3%	198,889	92,105	218.1%	339,695	232,911
16	22%	33	Petroleum,petroleum products and related materials	74,570	17.5%	87,610	13,040	21.5%	90,588	16,018	26.8%	94,548	19,978
15	4%	78	Road vehicles (incl. air cushion vehicles	342,491	6.8%	365,671	23,180	2.6%	351,239	8,748	3.9%	356,009	13,518
13	6%	67	Iron and steel	235,666	19.0%	280,379	44,713	1.8%	239,894	4,228	-3.9%	226,540	-9,126
10	12%	58	Artif resins,plastic mat ,cellulose esters/ethers	80,144	5.4%	84,443	4,299	8.8%	87,172	7,028	22.3%	98,040	17,896
7	10%	69	Manufactures of metal,n.e.s.	69,549	7.8%	74,968	5,419	12.6%	78,288	8,739	10.7%	76,963	7,414
7	3%	72	Machinery specialized for particular industries	242,922	0.6%	244,498	1,576	1.7%	246,935	4,013	6.4%	258,569	15,647
7	44%	26	Textile fibres (except wool tops) and their wastes	15,890	12.9%	17,947	2,057	57.8%	25,073	9,183	62.6%	25,841	9,951
7	15%	64	Paper,paperboard,artic.of paper,paper-pulp/board	47,514	7.1%	50,887	3,373	15.4%	54,835	7,321	21.7%	57,837	10,323
7	10%	59	Chemical materials and products,n.e.s.	69,295	6.7%	73,971	4,676	4.0%	72,036	2,741	18.8%	82,313	13,018
6	12%	52	Inorganic chemicals	49,770	10.0%	54,734	4,964	10.9%	55,211	5,441	16.0%	57,754	7,984
6	75%	84	Articles of apparel and clothing accessories	7,396	76.2%	13,030	5,634	74.8%	12,928	5,532	74.4%	12,895	5,499
5	14%	54	Medicinal and pharmaceutical products	32941	3.9%	34,225	1,284	12.5%	37,069	4,128	25.7%	41,400	8,459
4	3%	77	Electrical machinery,apparatus & appliances n.e.s.	118,712	1.3%	120,237	1,525	4.3%	123,767	5,055	4.2%	123,683	4,971
4	13%	51	Organic chemicals	28,073	4.3%	29,278	1,205	10.2%	30,937	2,864	24.4%	34,917	6,844
4	4%	76	Telecommunications & sound recording apparatus	88,010	-1.2%	86,926	-1,084	2.6%	90,323	2,313	10.8%	97,536	9,526
3	31%	23	Crude rubber (including synthetic and reclaimed)	10,968	6.9%	11,724	756	13.0%	12,393	1,425	72.4%	18,911	7,943
3	38%	85	Footwear	8,654	27.0%	10,992	2,338	19.9%	10,374	1,720	67.4%	14,491	5,837
3	14%	53	Dyeing,tanning and colouring materials	19,913	7.2%	21,347	1,434	14.4%	22,781	2,868	21.3%	24,148	4,235
3	9%	66	Non-metallic mineral manufactures,n.e.s.	32,568	5.1%	34,237	1,669	7.9%	35,151	2,583	12.9%	36,780	4,212
3	14%	55	Essential oils & perfume mat.;toilet-cleansing mat	17,925	2.7%	18,410	485	13.1%	20,268	2,343	27.6%	22,879	4,954
3	49%	29	Crude animal and vegetable materials,n.e.s.	5,313	11.9%	5,947	634	67.8%	8,917	3,604	66.1%	8,826	3,513
3	9%	62	Rubber manufactures,n.e.s.	29,223	7.3%	31,357	2,134	1.9%	29,774	551	17.3%	34,285	5,062
2	7%	79	Other transport equipment	37,064	-0.9%	36,736	-328	15.0%	42,632	5,568	6.0%	39,277	2,213
2	29%	05	Vegetables and fruit	8,264	27.3%	10,520	2,256	31.9%	10,900	2,636	27.9%	10,572	2,308
2	2%	74	General industrial machinery & equipment,and parts	140,984	3.1%	145,330	4,346	1.5%	143,156	2,172	0.5%	141,642	658
2	44%	61	Leather,leather manuf.,n.e.s.and dressed furskisg	4,426	32.8%	5,879	1,453	30.0%	5,755	1,329	68.1%	7,441	3,015
2	4%	71	Power generating machinery and equipment	51,490	0.5%	51,751	261	4.1%	53,621	2,131	6.1%	54,650	3,160
2	40%	08	Feeding stuff for animals,not incl.unmil.cereals	4,116	19.3%	4,910	794	52.4%	6,274	2,158	46.9%	6,046	1,930
1	3%	87	Professional,scientific & controling instruments	47,077	-0.1%	47,016	-61	0.4%	47,271	194	8.7%	51,167	4,090
1	2%	89	Miscellaneous manufactured articles,n.e.s.	60,381	1.1%	61,024	643	-0.1%	60,292	-89	5.9%	63,936	3,555
1	16%	41	Animal oils & fats	8,177	28.2%	10,486	2,309	5.2%	8,604	427	15.5%	9,444	1,267
1	34%	07	Coffee,tea,cocoa,spices,manufactures thereof	3,873	15.4%	4,469	596	31.6%	5,095	1,222	54.0%	5,965	2,092
1	28%	22	Oil seeds and oleaginous fruit	4,581	10.9%	5,081	500	11.2%	5,095	514	62.6%	7,449	2,868
1	36%	09	Miscel.edible products and preparations	3,560	22.0%	4,343	783	45.1%	5,166	1,606	39.6%	4,970	1,410
1	3%	75	Office machines & automatic data processing equip.	39,301	0.7%	39,591	290	2.8%	40,393	1,092	5.9%	41,628	2,327
1	7%	68	Non-ferrous metals	16,005	14.5%	18,333	2,328	4.9%	16,787	782	1.7%	16,275	270
1		57	Explosives & pyrotechnic products			2,858	2,858		3,583	3,583		-3,218	-3,218
1	39%	06	Sugar,sugar preparations and honey	2,723	78.7%	4,865	2,142	81.9%	4,953	2,230	-44.1%	1,522	-1,201
1	9%	56	Fertilizers,manufactured	9,814	13.2%	11,108	1,294	4.0%	10,204	390	9.1%	10,707	893
1	13%	82	Furniture and parts thereof	6,084	8.4%	6,598	514	12.4%	6,837	753	18.8%	7,226	1,142
1	2%	93	Special transactions and commodities not classified ac	25,442	-1.8%	24,990	-452	-5.7%	24,002	-1,440	14.3%	29,092	3,650
1	10%	63	Cork and wood manufactures (excl.furniture)	5,646	9.0%	6,151	505	6.0%	5,986	340	16.1%	6,555	909
1	8%	25	Pulp and waste paper	7,091	16.0%	8,223	1,132	3.7%	7,357	266	4.8%	7,434	343
1	4%	88	Photographic apparatus,optical goods,watches	14,110	-0.2%	14,082	-28	3.1%	14,554	444	8.1%	15,257	1,147
0	4%	73	Metalworking machinery	11,723	0.6%	11,794	71	5.4%	12,358	635	5.6%	12,374	651
0	19%	43	Animal-vegetable oils-fats,processed,and waxes	2,111	24.1%	2,621	510	13.4%	2,393	282	18.8%	2,508	397
0	27%	24	Cork and wood	1,198	21.3%	1,454	256	21.7%	1,458	260	38.7%	1,662	464
0	21%	32	Coal,coke and briquettes	1,495	16.5%	1,741	246	18.7%	1,775	280	28.6%	1,922	427
0	7%	42	Fixed vegetable oils and fats	3,716	14.3%	4,249	533	-6.4%	3,480	-236	13.9%	4,232	516
0	15%	02	Dairy products and birds'eggs	1,590	12.1%	1,783	193	5.8%	1,682	92	25.8%	2,000	410
0	21%	34	Gas,natural and manufactured	1,077	18.2%	1,273	196	18.5%	1,276	199	25.0%	1,346	269
0	67%	01	Meat and meat preparations	304	128.6%	695	391	30.3%	396	92	41.3%	430	126
0	2%	11	Beverages	7,847	2.4%	8,038	191	3.4%	8,110	263	1.6%	7,973	126
0	2%	95	Arms,of war and ammunition therefor	4,983	-1.9%	4,887	-96	-7.5%	4,607	-376	15.2%	5,740	757
0	1%	81	Sanitary,plumbing,heating and lighting fixtures	4,102	1.6%	4,167	65	-2.3%	4,009	-93	5.2%	4,314	212
0	15%	94	Animals,live,zoo animals,dogs,cats etc.	136	2.0%	139	3	5.6%	144	8	38.3%	188	52
0	1%	00	Live animals chiefly for food	569	-6.5%	532	-37	14.7%	653	84	-4.2%	545	-24
0	0%	83	Travel goods,handbags and similair containers	1,694	-1.2%	1,673	-21	-13.8%	1,461	-233	15.1%	1,950	256
0		96	Coin (other than gold)			0	0		1	1		-0	-0
-		35	Electric current			-	-		-	-		-	-
-0	-1%	12	Tobacco and tobacco manufactures	2,804	5.8%	2,965	161	-3.4%	2,708	-96	-4.8%	2,669	-135
-0	-13%	97	Gold, non-monetary (excluding gold ores and concentr	215	-1.1%	213	-2	-17.3%	178	-37	-20.1%	172	-43
-0		99	Unclassified			783	783		1,397	1,397		-2,298	-2,298
-0	-3%	21	Hides,skins and furskins,raw	1,505	-3.8%	1,448	-57	-5.3%	1,425	-80	-0.9%	1,491	-14
-0	-1%	03	Fish,crustaceans,molluscs,preparations thereof	7,680	-3.2%	7,431	-249	-2.9%	7,458	-222	3.7%	7,966	286
-1	-11%	27	Crude fertilizers and crude materials (excl.coal)	6,384	-1.1%	6,313	-71	-16.8%	5,309	-1,075	-14.6%	5,452	-932
-2	-3%	04	Cereals and cereal preparations	57,511	-9.6%	52,018	-5,493	-8.8%	52,467	-5,044	8.7%	62,515	5,004
-4	-13%	28	Metalliferous ores and metal scrap	28,393	-1.1%	28,070	-323	-17.0%	23,575	-4,818	-19.7%	22,787	-5,606
287	12%		TOTALS and Average Changes	2,381,537	8.2%	2,577,533	195,996	9.2%	2,601,677	220,140	18.7%	2,827,837	446,300

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