Regional Economic Integration in Africa: A Review of Problems and Prospects with a Case Study of COMESA*

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Abstract

Major issues of regional economic integration in Africa could be grouped into two interrelated broad areas: issues of implementation and the limitation of insight form both the theoretical and empirical literature regarding the specific approaches that are appropriate for the continent. Implementation issues cover both the economic, political and institutional constraints that surface at the implementation stage of economic integration treaties. The approach issue refers to the menu of options available to pursue economic integration. These options range from a step-wise bilateral cooperation to continent-wide integration. This paper critically reviews these issues and tests the determinants of trade flows using the experience of COMESA as a case study. The major conclusions that emerge form the study are: First, bilateral trade flows among the regional groupings could be explained by standard variables as demonstrated by the results of the conventional gravity model, while regional groupings has had insignificant effect on the flow of bilateral trade. And, second, the review of the issues indicates that the performance of regional blocs is mainly constrained by problems of variation in initial condition, compensation issues, real political commitment, overlapping membership, policy harmonization and poor private sector participation. These problems seem to have made building successful economic groupings in African a daunting task, despite its perceived importance in the increasingly globalized world. Thus, countries' need to take integration not only as lingering pan-African ideology but more importantly as economic survival strategy aimed at combating marginalization from the global economy.

1. Introduction

Regional integration initiatives in Africa have a long history, dating back to the establishment of the South African Customs Union (SACU) in 1910 and the East African Community (EAC) in 1919. Since then a number of regional economic communities have been formed across the continent, particularly since the 1970s. Currently there are about 10 or so regional economic groupings in Africa. Today there is no country in Africa that isn't a member of at least one regional economic group. As reflected in the number of regional agreements both in the continent and world- wide, therefore, the issue continues to occupy a center-stage in the economic agenda of countries.

In addition to agreements at a regional level, attempts have also been underway to create economic cooperation (and ultimately meaningful economic integration) among African countries at a continental level. This effort culminated in the signing of the African Economic Community Treaty (or the Abuja Treaty) in 1991. This treaty came into force in 1994. Among the initial stage objectives of the treaty is to establish continent-wide economic cooperation by strengthening the existing (and encouraging the formation of new) regional economic communities (RECs henceforth) across the continent. Accordingly, as Teshome (1998) noted, six RECs within the continent were perceived as the main building blocks for such a continent-wide integration initiative[1]. The intent and declarations to form a certain level of continent-wide unity continues unabated until today as demonstrated in the Sirte Declaration of September 1999 (which aimed at a speedy implementation of the Abuja treaty), and that of Lome held in July 2000, which agreed to concretize that agreement.

Despite such efforts, however, there seems to be a consensus that the success of all the RECs in achieving their objectives has been less than satisfactory (Johnson, 1995, Lyakurwa, 1997). Foroutan and Prichett (1993), however, note that the intra-Africa trade is not small compared to what should be expected. Various reasons are suggested as causes for the lack of progress in regional integration efforts in Africa. Chief among these reasons, are unwillingness of governments to: (i) surrender sovereignty of macroeconomic policy making to a regional authority; (ii) face potential consumption costs that may arise by importing from a high cost member country; (iii) accept unequal distribution of gains and losses that may follow an integration agreement, and (iv) discontinue existing economic ties with non-members (Johnson, 1995, p. 213). Lyakurwa *et al* (1997, p. 176) further adds to the list, "lack of a strong and sustained political commitment and macroeconomic instability", among others, have hindered the progress of economic integration in Africa.

Despite the unsatisfactory performance to date, however, there seems to be a new momentum to invigorate the process of integration of African economies. This is reflected in the resurgence of political will expressed in the Abuja Treaty of 1991. Among others, first, formation and the strengthening of various regional blocks outside of Africa (in Europe, Asia and the Americas) seems to have forced African countries to reconsider the issue more seriously if they are to avoid further marginalization. Second, the realization by African countries (particularly the small ones) that their respective national markets are too small to provide the benefits of economies of scale and specialization. Third, the liberalization initiatives undertaken by almost all countries in Africa (mainly sponsored by the Bretton Woods institutions) has also created a conducive environment to pursue an outward-looking economic policy, which encompasses economic cooperation in general and trade liberalization policy in particular. Whether these factors, among others, are sufficient to take the integration initiative to a higher level or not remains to bee seen, but that they have created some optimism than ever before is apparent.

This paper has two objectives: first, to highlight the most important issues that have affected the progress of regional integration in Africa in the past, and assess their implication to the prospect of future progress. Second, to empirically identify the most important determinants of intra-regional trade in Africa taking COMESA as a case study. Accordingly, the paper is organized as follows. Section Two briefly outlines the theoretical and the empirical issues related to regional integration

[1] These were: the Arab Maghreb Union (AMU), the Common Market for Eastern and Southern Africa (COMESA), the Economic Community of Central African States (ECCAS), the Economic Community of West African States (ECOWAS), the Southern African Development Community (SADC), and the Intergovernmental Authority on Development (IGAD).

relevant to the case in point. Section Tree presents the model and empirically results. After a brief recap of the main outstanding issues, final conclusions are provided in the final section.

2. An Overview of Theoretical and Empirical Issues

The impetus for regional integration draws its rationale from the standard trade theory, which states that free trade is superior to all other trade policies. As an extension of this basic principle, therefore, free trade among two or more countries will improve the welfare of the member countries as long as the arrangement leads to a net trade creation in the Vinerian sense. That is, though as the theory of the second best indicates, regional agreements do not guarantee an improvement in the welfare of member countries, they could do so provided trade diversion is minimal and/or trade-creation tilts the balance.

Historically, the customs union theory (in the context of which economic integrations issues are discussed) was concerned with welfare gains and losses that follow the formation of customs union. Such gains and losses may emerge from a number of sources such as (i) specialization, (ii) economies of scale, (iii) changes in terms of trade, (iv) forced changes in efficiency owing to increased competition and (v) due to a change in the rate of economic growth (Lipsey, 1987: 357[2]). According to Lipsey, the theory of customs union has been almost completely confined to an investigation of the first issues, with some slight attention to the second and third issues; the fifth item not being dealt with at all, while the fourth issue is ruled out of traditional theory by the assumption that production is carried out by processes which are technically efficient (*Ibid*.). This initial theory of customs union now consists in three interrelated, yet distinct, sets of analytical approaches: the *Viner-Lisey-Mead approach* (Viner, 1950, Lipsey 1987, and Mead's 1955), *the Kemmp-Wan approach* (Kemp and Wan 1976)[3] and the *Cooper-Massell-Bhgwati approach* (Cooper and Massell 1965,and Bhagwati 1968) (See Bhagwati, 1991, Alemayehu 1999 for detail). The major point her is that one needs to emphasize point five above in the contest of developing countries. However, none of the existing theories emphasized this point.

The traditional theories of trade, which assume constant returns to scale and focus on static gains provide a limited practical insight to regional integration policy issues, in particular in developing countries such as in Africa. Even the theoretical insights of the more recent trade theories do not fare better. For instance, Krugman's (1991)'economic geography' model which attempts to explain the determinants of regional concentration of economic activity, is yet to be fully explored and its practical relevance to be tested (particularly in the African context). The basic idea of Krugman's hypothesis is that under assumption of increasing returns to scale, economies of scale and trade cost considerations determine the location of economic activity. The implication of this hypothesis for regional integration is that regional blocks could enhance economies of scale by locating a production activity in one location rather than each activity in each country. Similarly, reducing trade costs will add to production efficiency (Lyakurwa, 1997). But as Baldwin (Baldwin, 1997: 46) correctly pointed out, "one very important -but neglected- aspect of integration is the effect of a

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2 Lipsey's article has originally appeared in *The Economic Journal (*1960) Volume 70: 496-513.

3 Reprinted in Bhagwati (1987). Originally it appeared in Kemp (1976). *Three Topics in the Theory of International Trade: Distribution, Welfare and Uncertainty***.** Amsterdam: North Holland Publishing**.**

trade arrangement on the region's economic geography". That is the impact of integration on concentration of economic activities. Some argue (Foroutan, 1993, for instance) that one of the reasons for the failure of regional integration in Sub-Saharan Africa is the fear of some countries, particularly the poor ones that the few industries they have may migrate to relatively more advanced neighbors. Therefore, while the basic principles of trade theories provide us with some general insights, they fall short of serving as practical guides in the African context.

For instance, the above briefly- cited trade theories raise the following outstanding issues. First, the standard trade theory is based on comparative advantage, which in turn is premised on differences in each country's endowments. The real practical question then is: does this hypothesis provide a useful guide for African economies which (with some exception) could be characterized as producing, exporting and importing goods that could be categorized as substitutes, and not complements, at least in the short run? (See section 3 below for supporting evidence). Second, in terms of Krugman's hypothesis of 'economic geography: is the potential migration process of industries unidirectional, or all countries will equally (in the sense of gain) share from such a process? And third, if such relocation is politically unacceptable by all countries in a region, is it possible to design a compensation scheme whereby countries will be compensated for location effects? More fundamentally, do theories designed to address issue of efficiency can be relevant to bring about structural change, which are central in development process? These and similar questions are at the heart of regional integration process, as will be discussed in detail later.

Limited guidance from the above and similar standard trade theories and the observed lack of progress in the integration process have led some authors (Fine and Yeo, 1997, for instance) to suggest that the focus of regional integration in Africa should reorient itself if it is to enhance economic growth. In what they referred to as the new paradigm of regional integration, they argue, "regional integration in SSA could contribute to economic growth in a very different way than envisaged previously, namely by helping to underpin stable and sound national macro-economic policies and rapid accumulation of human and physical capital". In addition to reorienting the emphasis of regional integration from trade to macroeconomic coordination, others also argue in favor of focusing on cooperation in infrastructural and natural resource development (Robinson, 1996). Robinson argues (Robinsion, 1996 69) that "the requirements for making reasonably complete forms of regional integration work are demanding: the distribution of gains has to be carefully enumerated, compensation mechanisms established-- to make the distribution equitable-- and a degree of national sovereignty surrendered in order to achieve the necessary harmonization at the regional level. By contrast, regional cooperation in infrastructure and natural resources is far less demanding. Typically, there are clear gains for all the countries involved in regional cooperation in infrastructure, irrespective of their size and level of economic development". The recent gravity model based analysis of Longo and Sekkat (2000) noted infrastructure (in addition to currency non-convertibility and political instability) are among the major obstacle to intra-Africa trade. What is not clear from such proposals is whether regional cooperation should be viewed as complementary to (first stage), or a substitute for regional economic integration initiatives. If it is pursued as an end by itself, does it meet all the objectives of regional integration?

Whatever the limitations in our understanding of regional integration issues at a theoretical level, our grasp of the empirical evidence regarding the issue, is even scantier. The popular model used to evaluate regional integration issues is the gravity model. This model, as Frankel *et al* (1994) put it, "has a fairly long history and fits the data remarkably well empirically, though its theoretical foundations are limited". One has to add that, since by formulation it cannot capture dynamic gains, the results obtained are far from conclusive.

The noted limitations notwithstanding, some studies have been carried out to asses the performance of regional blocks in Africa using a gravity model. Among such studies are those of Foroutan and Pritchett (1993), Ogunkola (1994), Elbadawi (1997), Lyakurwa (1997) and Longo and Sekkat (2000). Though the results of the studies slightly vary, the general conclusion seems to be similar. They all conclude that the experience of regional integration in Africa has been a failure in achieving its objectives of increasing intra-regional trade in particular and fostering policy coordination in general. As will be discussed later, these econometric results are also corroborated by simple descriptive intra-regional trade statistics. Except some improvements in few regions, the growth of Africa's intra-regional trade has been either small, stagnant or declining in recent years compared to 1970. Similarly, intra-regional, inter-regional and the intra-African trade in general are very low. As pointed out by Lyakurwa *et al*. (1993), Foroutan (1993), World Bank (1989) OECD (1993) Yeats (1999), there have been no noticeable changes in the composition of trade that would suggest that integration has led to any significant structural change in the economies concerned.

This low level of intra-REC trade can be read from COMESA's data. Tables 1 to 3 in Appendix 1.1 show intra-COMESA trade for the year 1992, 1989 and 1985. During these three periods, intra-COMESA trade remained in the vicinity of 6% (of total trade of COMESA members). In addition to its low level, it is dominated by few members. In general, Kenya, Mauritius, Zambia Zimbabwe and Tanzania are exceptionally active participants in intra-COMESA trade. The role of Mauritius and Zambia in intra-COMESA trade seems to have increased after 1992.

Tables 4 and 5 in Appendix 1.2 show trends of intra-COMESA exports and imports as well as COMESA's exports to and imports from the world. Intra-COMESA trade has increased from 5.7% (exports 6.8% and imports 4.9%) in 1980 to 6.8% (exports 7.5% and imports 6.2%) in 1996. This declined a little, to about 6.2 %, in 1998. The trend in intra-COMESA trade seems to be quite stable during the period 1980 to 1998. In all periods, Kenya and Zimbabwe seem to dominate intra-COMESA trade. One important point that comes out clearly in the Tables is that COMESA countries are extremely dependent on 'Third Countries' for their exports and imports. The share of 'Third Countries' remained fairly stable at about 90% throughout the period. This shows the extremely low level of intra-REC trade in Africa. Closer examination of COMESA data shows that member countries are generally exporters of primary commodities ('Coffee and coffee substitutes', 'Pearls, precious and semiprecious stones', and 'Tobacco and related products' constituting 22.8, 21.3 and 10 % of total exports, in 1997-98, respectively) and importers of manufacture goods (See Table 6 & 7 in Appendix 1.3 and Ronge 2000 for details).

The weak intra-regional trade flows and the lack of progress over time - despite the multitude of treaties to that effect - do warrant further exploration. Should the weak performance of regional integration in Africa be attributed solely to lack of implementation? Or should it be attributed to some attendant characteristics of African economies, which led Foroutan and Pritchett (1993) to conclude that even in the absence of trade restrictions, the scope for trade among African countries is "intrinsically" modest? If so, does this suggest the need for a new approach to regional integration? More importantly what are the major factors behind such poor performance? While addressing all these questions is beyond the scope of this paper, an attempt is made here to explain the trade flows of COMESA member countries using standard specification. Accordingly, we re-examined the issue by fitting a Gravity model to see if conventional determinants of bilateral trade flows are relevant in Africa and evaluate the impact of regional groupings.

3. Model and Empirical Results

The model is specified as follows:

$$T_{ij} = b_0 + b_1(Y_iY_j) + b_2[(YC_iYC_j)] + b_3 Dist_{ij} + b_4(Area_i Area_j) + b_5|YC_i - YC_j| + \left[b_i \sum Z_i + b_j \sum Z_j \right]$$

Where T is bilateral trade between country i and j; Y is GNP; YC is GNP per capita and Zi and Zj are other relevant variables grouped under 'Infrastructure' (such as Road length per 1000 people, number of telephone per 100 people), Policy (such as FDI, Parallel market premium, financial deepening), political (occurrence of war, coup, revolution), 'Cultural and geographic' (language, sharing border, landlocked).

The censored nature of bilateral trade implies that OLS estimates are biased. Thus, the above model is estimated using a tobit formulation (see Longo and Sekkat 2001, Elbadawi, 1997, Forotutan and Prichett 1993). Let the latent variable be given by,

$$LogYi = b'X + m_i; \text{ then}$$

$$\Pr ob(y_i = 0) = \Pr ob(m_i < -b'X) = (1 - F_i)$$

$$\Pr ob(y_i > 0) = f(y_i \mid y_i m > 0 = F_i \left[\frac{f(y_i - b'X, s_u^2)}{F_i} \right]$$

$$= \frac{1}{\sqrt{2ps_u^2}} e^{-\frac{1}{2}\left(s_u^2 (y_i - b'X)^2\right)}$$

The log-likelihood function of this can be given by,

$$LogL = \sum_{y=0} \log(1 - F_i) + \sum_{y>0} \log\left(\frac{1}{\sqrt{2ps_u^2}}\right) - \sum_{y>0} \frac{1}{2s_u^2}\left(y_i - b'X\right)^2$$

The tobit model result, reported below, is obtained by finding the estimates that maximized the likelihood function above.

The model is estimated both for bilateral imports and exports, separately. In general, as can be read from Tables 1 and 2, the two versions essentially offer similar results. However having the two versions allows comparison with previous studies since some authors use only imports while others use exports only. The model, as usual, performed well except the language dummies, which have negative coefficients. Although Elbadawi (1997) also reported negative coefficients for Arabic(and in some versions of his mdel for Swahili), in general the existing empirical work for Africa reported a positive coefficient for English and French (Foroutan and Pritchet 1993, Elbadawi 1997). The Language dummies are found to be highly correlated with the standard gravity model variables, in particular area, GDP and GDP per capita. When the model is estimated excluding these standard variables, English and French have the theoretically expected positive signs while Arabic and Swahili render theoretically implausible negative signs. Thus, in Table 1 and 2 we have reported estimation results with and without language dummies.

The results shown in Tables 1 and 2 indicate that almost all the standard gravity model variables have plausible (except the dummy for proximity) and statistically significant coefficients. Another important result shown in both Tables is that good macro-economic policies (such as financial deepening and infrastructural development) are important determinants of bilateral trade in Africa.

The results also show that all the proxies used to measure political instability (except war) have the expected signs. But regional integration arrangements failed to positively affect intra-regional trade. In fact, intra-COMESA trade is not significantly different from its trade with non-member countries. This is the case whether imports or exports are used to measure bilateral trade.

Such results raise the central question that why did Economic integration schemes in Africa failed to affect trade flows despite the multitude of arrangements? Another important question is whether the prospects for establishing successful regional and/or continental economic integration scheme are better now than what has been so far? The answer to these questions, of course, depend on the extent to which African leaders (and other stakeholders) are ready to overcome past constraints and adopt approaches that are incentive-compatible with stated objectives. Given the objectives stated in the above discussions, what are some of the outstanding issues in the way forward with regional integration in Africa? The rest of this section outlines some of these issues (See also Aryeetey and Oduro 1996, Ayeetey 2000 and N'dung'u 2000 for a list of such problems)**.**

Table 1 COMESA Versus All Africa Trade

	Imports (1980-1997)				*Exports (1980-1997)*			
	With Language		*Excluding Language*		*With Language*		*Excluding Language*	
Variables	Coef.	t-Stat.	Coef.	t-Stat.	Coef.	t-Stat.	Coef.	t-Stat.
Standard gravity model								
$Log(Distance_{ij})$	-1.80	-5.83	-1.36	-4.45	-1.90	-6.32	-1.49	-5.01
$Log\ (Area_{ij})$	-0.91	-12.98	-0.83	-12.02	-0.85	-12.51	-0.79	-11.62
$border_{ij}$	-1.08	-4.06	-1.27	-5.0	-1.15	-4.46	-1.35	-5.46
$Log(GDP_i.GDP_j)$	0.74	23.71	0.71	22.81	0.70	23.13	0.67	22.31
$Log(GDPPC_i.GDPPC_j)$	-1.79	-16.29	-1.77	-16.21	-1.73	-16.29	-165	-15.56
$Log\|GDPPC_i-GDPPC_j\|$:Linder	-0.01	-0.08	-0.06	-0.43	-0.05	-0.40	-010	-0.72
Language								
$Arabic_{ij}$	-4.6	-6.92			-4.54	-7.01		
$English_{ij}$	-1.2	-8.27			-1.10	-7.66		
$French_{ij}$	-1.26	-3.10			-1.26	-3.18		
$Swahili_{ij}$	-1.10	--1.74			-1.14	-1.85		
Infrastrcture								
$Log(Phone_{ij})$	2.38	22.29	2.34	21.9	2.49	23.97	2.46	23.7
$Log(Road_i)$	-0.003	-0.04	-0.02	-0.29	0.02	0.03	-0.01	-0.15
Land Locked	0.56	4.39	0.53	4.18	0.56	4.52	0.54	4.37
Policy								
$Log\ (M2/GDP)_{ij}$	0.49	15.53	0.48	15.25	0.46	15.04	0.45	14.8
$Log\ (FDI_{ij})$	0.11	11.97	0.11	12.63	0.11	12.33	0.11	12.96
Log (Parellel Market $Premium_{ij}$)	0.15	1.95	0.19	2.7	0.16	2.08	0.19	2.47
Political								
Revolution or $Coup_i$	-1.60	-13.1	-1.62	-13.24	-1.58	-13.25	-1.61	-13.5
War_i	0.51	3.04	0.65	3.19	0.51	3.17	0.65	4.01
$Ethno\text{-}fractionalization_i$	-1.88	-8.14	-2.01	-8.82	-1.75	-7.79	-1.86	-8.4
Trade Creation/Diversion								
Trade Creation_COMESA $_{ij}$	-3.19	-4.82	-3.38	-5.24	-3.54	-5.49	-3.69	-5.87
Trade Diversion_COMESA $_{ij}$	-1.42	-2.18	-1.61	-2.52	-1.70	-2.67	-1.85	-2.97
Trade Creation_SADEC $_{ij}$	-1.65	-6.36	-1.64	-6.43	-1.63	-6.46	-1.61	-6.47
Trade Diversion_SADEC $_{ij}$	-1.43	-10.35	-1.33	-9.53	-1.40	-10.39	-1.30	-9.58
Log (Oil export $_{ij}$) –Control var.	-0.18	-6.68	-0.17	-6.17	-0.17	-6.41	-0.16	-5.94
Constant	23.46	15.15	21.21	14.07	23.08	15.31	21.0	14.28
Pseudo R-Square	0.09		0.09		0.0937		0.09	
No of Observation	9320		9320		9320		9320	
Log Likelihood	-26425		-26488		-26208		-26267.9	

All the data, except Border and those under Language and Trade Creation/Diversion, are from Longo and Sekkat (2001).

Table 2 Intra-COMESA Trade

	Imports (1980-1997)				Exports (1980-1997)			
	With Language		Excluding Language		With Language		Excluding Language	
Variables	Coef.	t-Stat.	Coef.	t-Stat.	Coef.	t-Stat.	Coef.	t-Stat.
Standard gravity model								
$\text{Log}(\text{Distance}_{ij})$	-3.32	-5.84	-2.88	-5.19	-3.28	-5.94	-2.90	-5.38
$\text{Log}(\text{Area}_{ij})$	-1.19	-9.0	-1.17	-8.97	-1.13	-8.78	-1.11	-8.83
border_{ij}	-1.97	-5.08	-2.37	-6.45	-1.99	-5.27	-2.40	-6.70
$\text{Log}(\text{GDP}_i.\text{GDP}_j)$	0.84	15.11	0.84	15.14	0.80	14.86	0.81	14.90
$\text{Log}(\text{GDPPC}_i.\text{GDPPC}_j)$	-2.33	-11.47	-2.35	-11.52	-2.21	-11.17	-2.22	-11.22
$\text{Log}\lvert\text{GDPPC}_i\text{-GDPPC}_j\rvert$:Linder	0.35	1.34	0.27	1.01	0.31	1.21		
Language								
Arabic_{ij}	-7.61	-4.36			-7.46	-4.39		
English_{ij}	-0.64	-2.47			-0.51	-2.06		
Swahili_{ij}	-1.74	-2.29			-1.72	-2.33		
Infrastrcture								
$\text{Log}(\text{Phone}_{ij})$	2.33	11.87	2.27	11.58	2.47	12.95	2.42	12.65
$\text{Log}(\text{Road}_i)$	-0.003	-0.02	-0.03	-0.23	0.01	0.05	-0.01	-0.11
Land Locked	0.41	1.79	0.45	2.00	0.42	1.90	0.47	2.15
Policy								
$\text{Log}(\text{M2/GDP})_{ij}$	0.72	14.76	0.71	14.57	0.68	14.38	0.67	14.23
$\text{Log}(\text{FDI}_{ij})$	0.19	11.59	0.20	12.27	0.19	11.71	0.20	12.32
$\text{Log}(\text{Parellel Market Premium}_{ij})$	0.29	2.07	0.32	2.24	0.31	2.22	0.32	2.36
Political								
$\text{Revolution or Coup}_i$	-1.44	-6.51	-1.44	-6.49	-1.41	-6.52	-1.41	-6.53
War_i	0.68	2.26	0.76	2.51	0.68	2.33	0.75	2.56
$\text{Ethno-fractionalization}_i$	-1.52	-3.59	-1.83	-4.41	-1.44	-3.48	-170	-4.22
Trade Creation/Diversion								
$\text{Trade Creation\_SADEC}_{ij}$	-0.88	-2.47	-0.54	-1.56	-0.85	-2.46	-0.52	-1.55
$\text{Trade Diversion\_SADEC}_{ij}$	-1.42	-5.37	-1.35	-5.08	-1.39	-5.39	-1.32	-5.12
$\text{Log}(\text{Oil export}_{ij})$ –Control var.	-0.08	-1.64	-0.06	-1.33	-0.07	-1.53	-0.06	-1.27
Constant	26.39	12.02	24.93	11.77	25.2	11.81	24.01	11.66
Pseudo R-Square	0.09		0.09		0.09		0.09	
No of Observation	3696		3696		3696		3696	
Log Likelihood	-10571.4		-10586		-10483.9		-10498.5	

All the data, except Border and those under Language and Trade Creation/Diversion, are from Longo and Sekkat (2001).

3. Major Issues in African Economic Integration

Success or failure of regional integration initiative should be evaluated in the context of the objectives it sets to achieve, and the political, economic and institutional context under which it operates. In the case of regional integration in Africa, all regional groupings—including the more recent ones like COMESA, set out to eventually form a common market area among member countries. Judged against this objective, the consensus seems to be none of the regional groupings have to date successfully fulfilled the requirements of a functional common market, in many cases not even that of a customs union. This suggests that more often than not, governments failed to implement the treaties they signed, which in turn suggests lack of political commitment in practice (in contrast to pronouncements). Some of the possible reasons are listed below.

3.1 Issues of Complementarity

Early regional economic groups were formed when most of the respective members were implementing import substitution growth strategy. While such a strategy could be conducive to regional cooperation in order to expand market size, its focus on encouraging domestic production may hamper division of labor and specialization (which is implied by regional integration) among countries. This is particularly true when the initial trade structure among REC members is similar. This is shown in Tables 6 and 7 in Appendix 1.3. Table 6 shows that COMESA's exports to its dominant trading partners (EU) are primary products, coffee being an important one. The only important manufactured product exported being textiles. Similarly, Table 7 shows that COMESA's imports from EU are predominantly manufactured goods that fall in the SITC classification 5, 6 and 7. Thus, from the two Tables it is safe to conclude that members of COMESA export nearly similar primary products and import manufactured goods form their main trading partner, the Europeans Union. This shows the non-complementary nature of the intra-REC trade. However, as shown by Weeks and Subasat (1998) this aggregate primary commodity category hides the huge potential trade in agricultural commodities, in particular in a grain that does exist in Africa. This potential might even be higher if one is able to account for unrecorded cross-border trade.

3.2. Revenue Loss

Reducing trade barriers in economies where tariff revenue is one of the most significant sources of government revenue complicates the inter-temporal trade off between the apparent short-term loss of revenue and the expected long-term benefits emanating from regional integration. In Kenya, for instance, government revenue from its imports form EU constitutes 10% of its total revenue (Ronge 2000). Given that Kenya is a more liberalized country the revenue loss for other countries could be large. At present the potential revenue loss from intra-COMESA is low owing to the low level of intra-regional trade flows. For instance, Ethiopia's revenue loss due to opening its market to COMESA is less than 1 percent of total revenue since its trade with COMESA is negligible (although shifting form EU to COMESA could mean a lot of loss in tax revenue). Table 3 provides a static estimation of the magnitude of revenue loss if member countries abolish tariff among themselves. The Table needs to be taken cautiously as it doesn't consider both the possibility of shifting to COMESA suppliers and an institutionalization of a common external tariff which would be lower than the rate currently in use by members on a third country. As could be seen from Table 3, the average revenue loss is extremely small (3 to 3.5 % of government revenue excluding grants).

Table 3: Estimated Revenue Loss From Further Integration in COMESA (Percent of Total Revenue, Excluding Grants)

	1990	1991	1992	1993	1994	1995	1996	1997	1998
Angola	0.00	0.00	0.01	0.01	0.01	0.01	0.01	0.02	0.03
Burundi	2.51	3.23	4.51	4.55	4.36	4.46	3.23	1.58	2.47
Comoros	2.44	0.60	0.56	0.82	1.44	1.05	1.55	2.52	3.18
Djibouti	na	na	0.29	0.19	0.20	0.24	0.18	0.18	0.14
Ethiopia*	na	na	0.67	0.99	1.02	1.00	1.13	0.93	0.90
Kenya	2.37	1.92	2.51	4.19	4.62	3.80	3.83	5.10	4.65
Madagascar	na	0.19	0.51	0.09	1.01	1.29	1.11	1.14	1.16
Malawi	0.13	0.87	0.51	0.69	2.00	3.41	4.63	5.31	6.78
Rwanda	9.66	7.42	4.73	6.00	12.51	14.64	9.55	12.65	5.97
Seychelles	1.77	0.59	0.83	0.42	0.46	0.52	0.63	0.68	0.56
Tanzania	2.94	2.98	4.02	4.01	4.29	4.29	4.81	4.36	8.60
Uganda	6.94	2.40	3.82	4.28	3.63	6.32	6.43	6.81	9.12
Zambia	4.22	3.60	4.88	2.89	4.82	3.24	5.83	5.35	4.70
Average	3.30	2.16	2.14	2.24	3.11	3.40	3.30	3.59	3.71
Period Average	1990 to 1994				2.59	1995 to 1998			3.50

*Note: * Including Eritrea for 1992*
The rates are computed as the product of taxes on international trade and the share of each country's trade in total COMESA trade, based on World Bank, African Database (2000).

3. 3. Compensation Issues and Variation in Initial Condition:

This relates to the issue of appropriate mechanism that ensures that gainers are compensating losers in the medium term and losses are minimized in the long run. Tax revenue loss is a case in point. Such an immediate and a direct loss may create hesitation among member countries unless they foresee an immediate benefit from the integration process. More than revenue loss, however, most counties are concerned about fierce competition form relatively industrialized members such as Kenya, Mauritius and South Africa. COMESA for instance identifies that the weakest members suspect that stronger countries will take advantage of them. And in an integration scheme where countries are at different levels of development and hence the gains from integration are disproportionate, the commitment to implement agreed upon treaties could be adversely affected. In the case of COMESA, the present industrial base of member countries is feeble except small industries in Kenya, Zimbabwe and Mauritius. Even these countries have difficulties competing with South Africa and increasingly with Egypt. There is no concrete industrialisation programme of the national economies designed in the framework of COMESA. Further, even if gainers agree to compensate losers in principle, setting up an agreeable mechanism and implementing it in a sustainable manner, is a complex exercise. And because such issues, in many cases, have not been addressed adequately or proposed solutions not implemented properly, they have contributed to the weak performance of regional agreements in Africa.

3.4. Political Issue: Loss of Sovereignty and Lack of Political Commitment:

Regional integration experience in Africa indicates that countries are hesitant to create supra-national bodies and transfer power to them as a sanctioning authority. The secretariats that are formed (such as that of ECOWAS and SADC, for instance) do not have the legal backing to force countries to fulfill their obligations – such as reducing tariff rates and other trade barriers in accordance to their commitments. When such barriers are largely eliminated owing to liberalization, this reluctance to lose sovereignty is taking a form escalating non-tariff barriers[4], which are becoming major problems in COMESA, for instance. The continent-wide initiative (the Abuja Treaty and others that fllowed from it) could potentially serve that purpose, but has yet to setup the structure to do so. On political commitment, despite the rhetoric, practical commitment is lacking. It is observed in many RECs, including COMESA, that countries are committed to other multilateral (one being SAPs) and bilateral commitments than to regional agreements. This is partly explained by aid-dependence, and hence conditionality attached to SAPs, of member countries.

3.5 Overlapping Membership

Simultaneous membership of countries in more than one regional group is widespread in Africa (except in North Africa). For instance, in the Eastern and Southern African region, some countries are members of both SACU (Southern African Customs Union) and SADC, and COMESA and SADC at the same time. Similarly in West Africa, many countries that are members of ECOWS (Economic Community of the West African States) are also members of UEMOA (Economic and Monetary Union of the West African States). The usefulness of overlapping membership issue or more generally the existence of subset groups within a larger group, sometimes referred to as variable geometry approach, has not enjoyed the consensus that other issues have received. For instance, Lyakurwa (1997, p. 196), contends, "in the African context, such an approach of variable geometry could, for example, mean making genuine progress at ECOWAS level while maintaining the achievements and benefits of UMOA.

But others argue that multiple memberships are a hindrance to regional integration since, among other things, it introduces duplication of effort. For instance, Aryeetey and Oduro (1996) quote McCarthy as arguing that, "It is difficult to envisage how SADC and COMESA, given their convergence to both sectoral cooperation and trade integration, can live and prosper with the overlapping membership of the Southern African countries". An OAU Study to understand

[4] In COMESA non-tariff barrier are taking the form of (1) administrative problems which appear contradictory to the commitment at the meetings of signatories, (2) time consuming process of getting information at customs, (3) lack of information at boarder posts about agreements among member countries and procedures that need to be adopted, (4) inadequate communication facilities such as telephones and fax at boarder posts which hinder communication with capital city where relevant information about RECs agreements can easily be found, (5) pre-shipment inspection requirements in some countries, (6) bureaucratic and administrative problems in the administration of rules of origin, (7) unfair business practices by some companies and, finally, (8) technical and standardization requirements (such as phytosaniotry and sanitary regulations) especially on perishable (agricultural) products which are prohibitive (See Alemayehu 1998 for details).

problems of country participation in SADEC and COMESA shows that countries do face problems by participating in many RECs. These problems include human and financial costs associated with membership, lack of harmonization of policies especially in the areas of rules of origin and customs procedures (see below), a large information gap at policy making and implementation levels, and changing political position of member countries of different RECs are few among many (See Alemayehu 1998). The empirical findings based on the gravity mode for COMESA substantiates the notion that overlapping membership is a problems (see Tables 1 and 2 above) The relevant question to alleviate such problems is to know whether sub-regional groups are serving as building or stumbling blocks to a continent-wide integration? If so, Suliman (2000) asks, 'Do we need to reconfigure the integration building blocks, because of overlap and loss of efficiency? Should the RECs be given supra-national authority to enforce common decisions?' All these questions seem to be worth exploring beyond theoretical conjectures to evaluate the prospects of realizing the objectives of continent-wide economic integration.

3.6 Poor Private Sector Participation

To the extent that implementation of the treaties requires the understanding, conviction, and confidence of the private sector, an active involvement of this sector in particular and the general public at large are crucial. This aspect of the regional integration process in Africa has been singled out as one of the major weaknesses of the initiative (Aryeetey and Oduro, 1997, Aryeetey 2000). Country level studies in SADC and COMESA show that the participation of the private sector is hampered by lack of government resources to ensure full participation, and when some resource are secured, the participation is limited at the level of the chamber of commerce officials. Moreover, lack of adequate knowledge to use existing information at the level of private sector associations is also noted as major problem. Establishing specific government entities that would promote and administer economic integration at a country level (as some countries – Burkina Faso, Senegal, Ghana, and Nigeria and few others- have done) would also not only show commitment of countries but also enhance the effectiveness of implementing the treaties.

3.7 Implementation Problems of Harmonization Policies:

The importance of harmonizing macroeconomic and trade policies for enhancing economic integration cannot be overstated. Due to the focus of Africa's regional economic integration efforts on trade liberalization policies (tariffs and non-tariff barriers), most analysis mainly focused on the impact of regional integration on trade flows. Such a focus has had a number of problems. Harmonization problems in COMESA, for instance, include: (a) lack of harmonization of tariffs, customs procedures and tax policies as well as incentive package for investment; (b) problems related to donor support. Some donors support SADC while other support COMESA. This usually depends on short-term interest of the donor. Such donor influence creates not only harmonization problems but also unhealthy competition among RECs; (c) lack of common position on SAPs among COMESA members (partly because of the capacity and desire of the sponsoring institutions to deal with individual members) had also created harmonization problems. There is a general problem of significant disparity in country laws about the operation of companies and relevant public offices too. The latter ranged from different interpretation of the rules of origin to lack of harmonization of opening hours at border posts.

In contrast, the importance of macroeconomic policy coordination on economic integration has received relatively little attention. But as O'Connell (O'Connel 1997: 90) noted, 'Among the most often cited constraints to greater intra-African trade is the inhospitable macro-economic environment associated with overvalued exchange rates and non-convertible currencies.' Elbadawi (1997) shows a supporting evidence for this although our estimation using another proxy, the parallel market premium, couldn't yield similar results to that of Elbadawi. Clearly, in the context of regional integration, the issue of currency inconvertibility is still a major obstacle while the issue of overvalued currency is of less concern these days due to the widespread exchange rate liberalization polices carried out in many African countries. One should also add, a related obstacle in this context is currency instability, as recently witnessed in the Southern African region (Malawi, South Africa, Zambia and Zimbabwe, for instance). Similar problem is observed in West Africa. Aryeeteye (2000) for instance noted that 'with emphasis on tariff reductions, [it] is unlikely to increase trade significantly if exchange rates are not properly aligned and the underlying macroeconomic framework is unstable' (See also Ndung'u 2000 for a similar argument in East Africa). Thus, in addition to harmonizing trade policies, the gradual coordination of macroeconomic policies, covering fiscal, monetary and operations of all financial institutions, is a necessary condition for a smooth implementation of economic integration.

In sum, although the importance of regional economic groupings is crucial to survive in the increasingly integrating world economy, addressing major obstacles noted above is a daunting task. It is important that both African governments and their development partners appreciate this challenge. In particular, the latter can play a significant role by focusing on regional support programs such as regional infrastructure provision. Countries nee not take integration as lingering pan-African ideology but as an economic survival strategy aimed at combating marginalization from the global economy.

4. Concluding Remarks

In this paper we have attempted to examine both the theoretical and empirical issues of regional economic integration in Africa. We have also attempted to substantiate some of the points by taking COMESA as a case study. Despite the consensus that regional integration efforts in Africa registered disappointing results, the enthusiasm to revitalize existing groupings and form new ones (including at a continent level) seems to have gained renewed momentum in recent years. This issue has got more momentum by the signing of the African Economic Community charter by majority of countries in the continent. At a practical level, however, if regional integration is to succeed resolving the above listed set of issues, which have hindered progress thus far, is essential.

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Appendix 1.1

Table 1: Intra COMESA Trade, 1992, by Exporting Country (US $ Mill)

	Angola	Burundi	Comoros	Djibouti	Ethiopia	Kenya	Lesotho	Madagascar	Malawi	Mauritius	Mozambique	Namibia	Rwanda	Seychelles	Somalia	Sudan	Swaziland	Tanzania	Uganda	Zambia	Zimbabwe	COMESA Total
Exporting Country																						
Angola																					0.1	0.1
Burundi						4.36							3.35							0.02	0.57	8.3
Comoros								0.03		0.04												0.07
Djibouti		0.2			1.9	0.1									25.6							27.8
Ethiopia				21.54		1.13				0.01						9.03		0.12	0.34		0.05	32.22
Kenya	1.3	6.6	0.6	1.2	8.2			1	3.2	15.9	11.7		25.5	1.4	9	28.1	1.8	31.4	108.2	6.2	8.4	269.7
Lesotho										0.03										0.2	0.7	0.93
Madagascar																						0
Malawi		0.08				0.08				0.17	17.39							0.91		7.11	4.35	30.09
Mauritius			2.01	0.03	0.01	1.42	0.02	10.93	0.14					4.06		0.01	0.26	0.2	0.05	0.39	7.75	27.28
Mozambique	0.11					1.66		0.97	1.35	0.05					0.42			1.72		0.03	4.73	11.04
Namibia						0.09				0.01										0.6	0.2	0.9
Rwanda		0.2				0.04												0.01				0.25
Seychelles																						0
Somalia				0.45		0.1													0.14			0.69
Sudan					0.3					0.2					0.1			0.1				0.7
Swaziland						7				1.63					0.05					9.6	13.1	31.38
Tanzania		18		0.3	0.2	6.8			0.5	0.5			21							1.1	2.7	51.1
Uganda					0.02	1.83							0.61		0.01	0.1				0.16	0.29	3.02
Zambia	1	5.8			0.09	8.5			4.8	0.02	0.1	0.3	0.01					3.5	0.01		14	38.13
Zimbabwe	7.9	1.9		0.09	0.2	14.9	1.5	0.1	52.3	1.17	40.4	3		0.6		2	0.7	6.2	0.7	56.2		189.86
Total																						**723.56**
Intra-COMESA's Trade as Percentage of World Trade																						**5.81%**
COMESA's Export to Wrorld																						12453

Source: Compiled from COMESA Documents, Lusaka, Zambia

Table 2: Intra COMESA Trade, 1989, by Exporting Country (US $ Mill)

	Angola	Burundi	Comoros	Djibouti	Ethiopia	Kenya	Lesotho	Madagascar	Malawi	Mauritius	Mozambique	Namibia	Rwanda	Seychelles	Somalia	Sudan	Swaziland	Tanzania	Uganda	Zambia	Zimbabwe	Total to COMESA
Exporting Country																						
Angola																						0
Burundi													2.09					0.02				2.11
Comoros																						0
Djibouti		0.7			2.1								0.6		19.2							22.6
Ethiopia				17.56		2.6							0.01			4.46		0.09	0.34			25.06
Kenya		11.9	2.8	2.9	4.2				0.5	4.8	6.3		36		4.4	29.2		13.4	100.3	1.3		218
Lesotho																					0.1	0.1
Madagascar																						0
Malawi		2.77				0.05				0.12	11.44		0.13					0.6		7.25	5.86	28.22
Mauritius			1.38			0.59												0.09			2.3	4.36
Mozambique						0.29			0.83				0.25		0.9			0.4			0.64	3.31
Namibia																						0
Rwanda		0.09		0.02	0.01	23.45											0.02	0.03	0.17	0.03		23.82
Seychelles																						0
Somalia				0.99									0.04					0.06	0.11			1.2
Sudan					0.2					0.05					0.1			0.1				0.45
Swaziland		0.15													0.03			0.09		7	7.9	15.17
Tanzania		1.5			0.1	0.8			0.3	0.1	1.6		1		0.4	1.5			1.4	0.8	0.1	9.6
Uganda					0.03	1.78							0.2		0.01	0.07		1.42				3.51
Zambia	2.4	4.7			0.4	6.3	4.3		7.1		0.3		0.2					8.1	0.3		35.2	69.3
Zimbabwe	5.5	3.1					4.4		22.4	2.3	62.3		1.1		1.3	0.5	1.7	2.9	0.7	44.4		152.6
Total																						**579.41**
Intra-COMESA's Trade as Percentage of World Trade																						**5.73%**
COMESA's Export to Wrorld																						10112

Source: Compiled from COMESA Documents, Lusaka, Zambia

Table 3: Intra COMESA Trade, 1985, by Exporting Country (US $ Mill)

	Angola	Burundi	Comoros	Djibouti	Ethiopia	Kenya	Lesotho	Madagascar	Malawi	Mauritius	Mozambique	Namibia	Rwanda	Seychelles	Somalia	Sudan	Swaziland	Tanzania	Uganda	Zambia	Zimbabwe	Total to COMESA
Exporting Country																						
Angola																						0
Burundi						1.98							3.58			0.09		1.09	0.53		0.23	7.5
Comoros										0.4												0.4
Djibouti		0.8			1.6					0.1					3.6							6.1
Ethiopia				12.21		0.46				0.37			0.47		0.05	6.13		0.12	0.23			20.04
Kenya		18.4	2.4	2.4	3.5				0.64	4.5	5.2		32.8		3.7	25.9		12	83.3	1.1	1.2	197.04
Lesotho																						0
Madagascar																						0
Malawi		0.92				0.07				0.15	3.46		0.07					0.35		15.7	5.79	26.51
Mauritius			1.01		0.01	0.32			0.07									0.75			0.02	2.18
Mozambique						0.19			0.27									0.7			0.14	1.3
Namibia																						0
Rwanda		0.52				2.96												0.1	0.13			3.71
Seychelles																						0
Somalia				0.01		0.11											0.11	0.09				0.32
Sudan					0.1													0.1				0.2
Swaziland		0.33													0.03			0.18		5.5	0.9	6.94
Tanzania		2.1			0.2	1			0.4	0.2	2.1		1.3		0.5	1.9			1.8	0.8	0.2	12.5
Uganda					0.02	1.13							0.26			0.04		2.46				3.91
Zambia	0.8	1.4			0.2	2.8	1.5		3		0.1		0.2		0.03			4.8	0.1		12.2	27.13
Zimbabwe	6.7	1.1			6.6	3.3	0.4		12.4	1.6	12.7		0.9			0.7	2	4.9	0.5	37.3		91.1
Total																						**406.88**
Intra-COMESA's Trade as Percentage of World Trade																						**5.34%**
COMESA's Export to Wrorld																						7614

Source: Compiled from COMESA Documents, Lusaka, Zambia.

Appendix 1.2

Table 4 : INTRA-COMESA TRADE (IMPORTS and EXPORTS) (FOB Value in Millions US Dollars)

Country	1980	1987	1988	1989	1990	1991	1992	1993	1994	1995	1996	1997	1998
Angola	0	5.3	5	6	18	9	6	5	13	15	19	21	23
Burundi	41.3	34.68	37.82	33.82	33	41	51	46	45	45	25	16	24
Comoros	12.43	5.38	3	3.91	4	5	9	9	12	16	18	18	22
Congo(D.R)	26.7	34.72	49.37	49.82	146.82	40	39	39	84	90	122	129	158
Djibouti						33	39	46	50	63	73	81	90
Egypt						149	232	124	130	189	171	181	194
Ethiopia & Eritrea*	79.08	31.61	41	10	11	52	46	75	88	129	138	153	165
Kenya	473.59	355.09	298.91	252.26	427.92	322	369	472	549	684	748	813	894
Madagascar	7.35	5.87	8	13	89.73	29	37	5	49	70	89	101	116
Malawi	48.62	51.91	66.73	67.55	111.46	91	71	77	126	151	240	260	282
Mauritius	21.23	16.52	14.91	19	30.82	63	73	47	85	110	132	142	159
Namibia	0	0.7	0	3	2	11	5	7	31	40	48	56	64
Rwanda	99.26	163.78	47.55	46.55	88.46	69	63	61	72	88	104	114	129
Seychelles	4.02	1.32	2	3	6.64	16	8	7	8	10	13	14	15
Sudan	35.22	36.05	29.73	25.82	18	58	93	81	76	82	104	118	137
Swaziland	7.02	13.98	21.55	27.27	24.46	23	37	22	21	26	39	46	53
Tanzania	82.25	41.01	60.19	58.83	77.19	108	137	189	247	320	361	387	429
Uganda	201.59	90.46	96	91	206	64	98	147	181	225	255	277	305
Zambia	75.38	100.56	120	143	188	189	205	127	164	187	307	359	384
Zimbabwe	69.63	183.2	245	182	328	252	204	202	337	380	451	489	555
Total	1284.67	1172.14	1146.76	1035.83	1811.5	1624	1822	1788	2368	2920	3457	3775	4198
COMESA % World Total	**5.7**	**5.5**	**5.4**	**4.0**	**6.3**	**4.0**	**4.3**	**4.6**	**5.3**	**5.6**	**6.0**	**6.4**	**6.2**

Up to 1991, after that Ethiopia.

Source: Compiled from COMESA Documents, Lusaka, Zambia (updated from COMESA web page)

Table 5 : COMESA Trade(Imports and Exports) with Third Countries (Value in Millions US Dollars)

Country	**1980**	**1987**	**1988**	**1989**	**1990**	**1991**	**1992**	**1993**	**1994**	**1995**	**1996**	**1997**	**1998**
Angola	3035	3378.7	3862	4344	5454	4935	6152	4281	4278	5133	6492	6420	5762
Burundi	189.7	271.32	269.18	225.18	277	300	248	213	307	292	137	194	279
Comoros	43.57	84.62	88	94.09	105	142	135	119	119	152	160	157	164
Congo(D.R)	2316.3	1713.28	1835.63	2690.18	2517.18	2589	2257	1749	2135	2762	2678	2207	2079
Djibuti	0	0	0	0	0	276	512	497	442	463	461	449	495
Egypt	0	0	0	0	0	11372	11109	11174	12770	14991	16382	16895	24605
Ethiopia & Eritrea	1067.92	1541.39	1465	1405	1359	587	1752	1661	1797	2207	2395	2510	2602
Kenya	3501.41	2343.91	775.09	2865.74	2733.08	2870	2803	2547	3913	4937	5083	4381	5069
Madagascar	993.65	684.13	631	696	894.27	704	684	689	712	797	1200	1274	1438
Malawi	685.38	520.09	620.27	768.45	928.54	1009	1165	849	924	945	1069	1198	1292
Mauritius	1027.77	1858.48	2285.09	2291	2791.18	2690	2852	2974	3181	3405	3963	3718	3759
Namibia	72	36.3	58	171	720	547	439	425	683	647	553	570	513
Rwanda	216.74	323.22	457.45	381.45	299.54	328	421	307	221	249	429	354	282
Seychelles	109.98	114.68	197	279	285.36	291	308	305	271	323	410	451	524
Sudan	2082.78	1506.95	1625.27	1918.18	1798	1709	1527	1444	1523	1737	1733	1899	2409
Swaziland	251.98	229.02	313.45	274.73	380.54	1206	1382	1452	1623	1921	1812	2169	2252
Tanzania	1655.75	1061.99	1038.81	979.17	1359.81	1838	1847	1777	1783	1984	1793	2290	2346
Uganda	739.41	712.54	700	644	557	538	480	489	783	981	1072	1146	976
Zambia	2557.62	1444.44	1620	1817	1610	1699	1384	1466	1049	1581	1566	1888	2055
Zimbabwe	555.37	2157.8	2133	2756	3096	2893	3056	2774	3671	4108	4417	4867	5011
Total	21102.33	19982.86	19974.24	24600.17	27165.5	38523	40513	37192	42185	49615	53805	55037	63912
Third Country as % of total	**94.3**	**94.5**	**94.6**	**96.0**	**93.7**	**96.0**	**95.7**	**95.4**	**94.7**	**94.4**	**94.0**	**93.6**	**93.8**

Source: Compiled from COMESA Documents, Lusaka, Zambia (updated from COMESA web page)

Appendix 1.3

Table 6: Top Six Countries' Share in Top Ten COMESA Exports (1997-98) to the European Union in USD

SITC	COMMODITY DESCRIPTION	Malawi	Kenya	Uganda	Tanzania	Zambia	Zimbabwe	Total COMESA Exports*
071	Coffee and coffee substitutes	11,729,000 (1.1)**	242,988,000 (23.5)	274,078,500 (26.6)	70,198,000 (6.8)	7,392,500 (0.7)	26,842,000 (2.6)	1,031,869,000 (22.8)***
667	Pearls , precious and semi-precious stones unworked, worked	112,000 (0.01)	9,723,000 (1.0)	783,500 (0.1)	9,723,000 (1.0)	2,500,500 (0.3)	4,591,500 (0.5)	963,547,000 (21.3)
845	Articles of apparel of textiles fabrics whether or not knitted or crotcheted	-	405,000 (0.08)	-	7,242,000 (1.5)	32,500 (0.01)	4,896,000 (1.0)	481,728,000 (10.6)
121	Tobacco unmanufactured , tobacco refuse	14,567,500 (3.1)	9,012,500 (1.9)	6,099,500 (1.3)	44,173,500 (9.3)	6,468,500 (1.4)	251,708,500 (53.1)	473,541,000 (10.4)
061	Sugar molasses and honey	15,399,000 (3.4)	562,000 (0.1)	6,286,000 (1.4)	11,778,500 (2.6)	19,036,500 (4.2)	25,189,500 (5.5)	455,429,000 (10.0)
292	Crude vegetable materials n.e.s eg cut flowers	2,872,000 (1.1)	132,252,500 (50.0)	-	7,221,500 (2.7)	11,602,000 (4.4)	55,222,000 (20.9)	264,520,000 (5.8)
333	Petroleum oils obtained from bituminous minerals , crude	-	-	353,500 (0.1)	-	-	-	255,532,000 (5.6)
074	Tea and mates	15,293,500 (6.9)	184,159,000 (83.4)	-	5,401,500 (2.4)	-	4,816,500 (2.2)	220,755,000 (4.9)
841	Men's or boys coats, jackets, blazers similar articles of textiles	-	1,642,000 (0.8)	-	-	183,500 (0.1)	12,272,000 (6.0)	203,584,000 (4.5)
036	Crustaceans, mollusks and other aquatic animals	65,000 (0.04)	-	-	-	-	-	183,651,000 (4.1)

Source: Ronge (2000) [based on PC-TAS (Trade Analysis System)]

Notes
* The top ten products represent 65.5% of the total COMESA exports to the European Union for the period 1997-98
** The figures in parentheses represent the percentage of each country's exports in the total COMESA exports of a particular product category.
*** The figures in parentheses in the shaded column represents the proportion of the particular product category in the total of the top ten products in 1997-98

Table 7: Trade in the Top Ten COMESA Imports (1998) from the EU (in USD)

SITC		COMESA imports from EU	COMESA exports to EU	KENYA exports to COMESA	KENYA imports from COMESA	EAC Exports to EU	KENYA exports to EU
542	Medicaments (including vertinary medicaments)	214,646,000	1,565,000	22,856,741	129,989	178,000	-
764	Telecommunications equipment and parts	211,913,000	4,396,000	22,922	28,387	1,976,000	1,446,000
781	Motor cars and other motor vehicles for transports of persons	170,554,000	2,696,000	30,041	201,227	893,000	808,000
782	Motor vehicles for the transport of goods and special motor vehicles	156,921,000	221,000	30,408	74,712	-	-
784	Parts n.e.s. and accessories of motor vehicles of group 722, 781, 782	154,872,000	942,000	968,665	24,700	482,000	481,000
728	Other machinery and equipments specialized for particular industry and parts	138,820,000	109,000	686,808	119,763	249,000	9,000
723	Civil engineering and contractors plants and equipments	137,817,000	5,134,000	369,585	28,701	48,000	-
716	Rotating electric plants	125,527,000	1,133,000	86,772	99,368	445,000	269,000
679	Tubes, pipes and hollow profiles of steel or iron	123,196,000	-	538,692	516	-	-
046	Meals and flours of wheat and flours of meslin	112,758,000	-	3,416,233	12,005	-	-

Source Ronge (2000).