



PRESS RELEASE CONCLUSION OF THE BILATERAL TARIFF NEGOTIATIONS BETWEEN SACU AND THE EAC

- 1. The COMESA-EAC-SADC Tripartite Free Trade Area (TFTA), which was launched on 10th June 2015, aims to establish a single market for 27 African countries with a combined population of about 700 million people (57% of Africa's population), and Gross Domestic Product above USD 1.4 trillion.
- 2. The TFTA is built on three pillars (market integration, infrastructure development and industrial development) and there is a parallel agreement on movement of business persons. The Tripartite approach reflects the desire to advance regional integration from multiple fronts. As such, the TFTA would facilitate development of regional infrastructure for cross-border trade and lead to harmonisation of trade regimes amongst Tripartite Member/Partner States, stimulate industrial development through creation of value chains and facilitate movement of business persons.
- 3. As part of the market integration pillar, Member/Partner States have been engaged in bilateral tariff liberalisation negotiations. The market access negotiations between the Southern Africa Customs Union (SACU), consisting of Botswana, Eswatini, Lesotho, Namibia and South Africa, and the East African Community (EAC), which consists of Burundi, Kenya, Rwanda, South Sudan, Tanzania, and Uganda have largely been successfully concluded.
- 4. The conclusion of the SACU-EAC negotiations marks a significant step towards realising the benefits of the TFTA. The main aim of the SACU-EAC market access negotiations has always been to provide commercially meaningful market access for the private sector in the two regions.
- 5. The SACU-EAC private sector will thus have access to new and dynamic markets for exports as well as new sources of inputs for domestic production processes, thereby enhancing intra-regional trade.
- 6. Furthermore, there is emphasis on the development of regional value chains in a wide range of sectors, to deepen integration between SACU and the EAC.
- 7. The conclusion of the negotiations provides an opportunity for the TFTA to be a building block and to have a coordinated approach for negotiations in the African Continental Free Trade Area (AfCFTA).

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