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3. Economic Community Groups of the African Continent

Currently, there are seven regional groups in the African Continent including the Common Market for Eastern and Southern Africa (COMESA) including 19 member states, Southern African Development Community (SADC) – 16 member states, Economic Community of West African States (ECOWAS), including 15 member states, West African Economic and Monetary Union including 8 economies, Central African Economic and Monetary Community consisted of 6 member states, Southern African Customs Union (SACU) – five countries of Southern Africa and East African Community (EAC) – consisting of 6 member economies. Detail of Africa's RTAs is given as follows.

Table 3. 1. Regional Integration of the African Continent

The African Economic Community Groups and the Member States[1]						
COMESA	**SADC**	**ECOWAS**	**WAEMU**	**CEMAC**	**EAC**	**SACU**
Burundi	Angola	Benin	Benin	Gabon	Burundi	Botswana
Comoros	Botswana	Burkina Faso	Burkina Faso	Cameroon	Kenya	Lesotho
D.R. of Congo	Comoros	Cabo Verde	Cote Ivoire	The CAR	Rwanda	Namibia
Djibouti	D.R. of Congo	Côte Ivoire	Guinea-Bissau	Chad	South Sudan	South Africa
Egypt	Lesotho	Gambia	Mali,	Republic of Congo	Tanzania	Swaziland
Eritrea	Madagascar	Ghana	Niger	Equatorial Guinea	Uganda	
Ethiopia	Malawi	Guinea	Senegal			
Kenya	Mauritius	Guinea-Bissau	Togo			
Libya	Mozambique	Liberia				
Madagascar	Namibia	Mali				
Malawi	Seychelles	Niger				
Mauritius	South Africa	Nigeria				
Rwanda	Swaziland	Senegal				
Seychelles	Tanzania	Sierra Leone				
Swaziland	Zambia	Togo				
Sudan	Zimbabwe					
Uganda						
Zambia						
Zimbabwe						

3.1. Common Market for Eastern and Southern Africa (COMESA)

COMESA is the largest Economic Communities of the African Union including 19-member economies. The history of COMESA begins in December 1994 when it was formed to replace the former Preferential Trade Area (PTA) which had existed from the earlier days of 1981. COMESA (as defined by its Treaty) was established 'as an organisation of free independent sovereign states which have agreed to co-operate in developing their natural and human resources for the good of all their people' and as such it has a wide-ranging series of objectives which necessarily include in

[1] COMESA is, Common Market for Eastern and Southern Africa, SADC is the Southern African Development Community, ECOWAS is the Economic Community of West African States, WAEMU is the West African Economic and Monetary Union, CEMAC is the Central African Economic and Monetary Community, SACU indicates Southern African Customs Union and EAC is the East African Community.

its priorities the promotion of peace and security in the region. However, due to COMESA's economic history and background its main focus is on the formation of a large economic and trading unit that is capable of overcoming some of the barriers that are faced by individual states.

COMESA's current strategy can thus be summed up in the phrase 'economic prosperity through regional integration'. With its 21 (since 18 July 2018) Member States, COMESA forms a major market place for both internal and external trading.

The FTA was achieved on 31st October, 2000 when nine of the member States namely Djibouti, Kenya, Madagascar, Malawi, Mauritius, Sudan, Zambia and Zimbabwe eliminated their tariffs on COMESA originating products, in accordance with the tariff reduction schedule adopted in 1992.This followed a trade liberalization program that commenced in 1984 on reduction and eventual elimination of tariff and non-tariff barriers to intra- regional trade. Burundi and Rwanda joined the FTA on 1st January 2004. These eleven FTA members have not only eliminated customs tariffs but are working on the eventual elimination of quantitative restrictions and other non-tariff barriers.

COMESA offers its members and partners a wide range of benefits which include: (a), a wider, harmonized and more competitive market (b). Greater industrial productivity and competitiveness (c). Increased agricultural production and food security (d). A more rational exploitation of natural resources (e). More harmonized monetary, banking and financial policies (f). More reliable transport and communications infrastructure

3.1.1. Common External Tariff of ECOWAS

A common external tariff must be introduced when a group of countries forms a customs union. The same customs duties, import quotas, preferences or other non-tariff barriers to trade apply to all goods entering the area, regardless of which country within the area they are entering. It is designed to end re-exportation; but it may also inhibit imports from countries outside the customs union and thereby diminish consumer choice and support protectionism of industries based within the customs union. The common external tariff is a mild form of economic union but may lead to further types of economic integration.

ECOWAS, which initially was in the free trade agreement, has now entered the Customs Union, which is characterized with the common external tariff (CET). The Common External Tariff (CET) for ECOWAS was adopted at a Heads of State Summit in October 2013 in Dakar. The detail is given on the following Table.

Table 3. 2. ECOWAS Common External Tariff (CET)

The structure of the ECOWAS CET			
Categories	**Description**	**Duty Rate**	**CET Tariff Lines**
1	Essential social goods	0%	85
2	Basic raw materials and capital goods	5%	2146
3	Intermediate products	10%	1373
4	Final consumer goods	20%	2165
5	Specific goods for economic development	35%	130

Source: http://www.ecowas.int/wp-content/uploads/2016/06/CET_Factsheet_EN.pdf

3.2. South Africa Custom Union (SACU)

As the world`s oldest custom union, the Southern African Customs Union (SACU) dates back to the 1889 Customs Union Convention between the British Colony of Cape of Good Hope and the Orange Free State Boer Republic. A new Agreement, signed on June 29, 1910, was extended to the Union of South Africa and the British High Commission Territories (HCTs), i.e. Lesotho, Botswana, and Swaziland. South West Africa (Namibia) "was a defacto member, since it was administered as part of South Africa". The primary goal was to promote economic development through regional coordination of trade.[2]

The 1910 version of the SACU agreement created (a). A Common External Tariff (CET) on all goods imported into the Union from the rest of the world (b). A common pool of customs duties as per the total volume of external trade; and excise duties based on the total production and consumption of excisable goods (c). Free movement of SACU manufactured products within SACU, without any duties or quantitative restrictions and (d). A Revenue-Sharing Formula (RSF) for the distribution of customs and excise revenues collected by the union.

[2] http://www.sacu.int/list.php?type=Agreements

The 1969 SACU Agreement, signed by the sovereign states of Botswana, Lesotho, and Swaziland (BLS) and South Africa, on December 11, 1969 provided two major changes, i.e. the inclusion of excise duties in the revenue pool; and a multiplier in the revenue sharing formula

However, similar to the 1910 Agreement, South Africa retained the sole decision-making power over customs and excise policies. It also retained open access to the BLS market, while the high common tariff raised barriers for Southern African neighbour`s exports to SACU. These trade-diverting effects benefited South African manufacturers.

Table 3. 3. Development Phases of the SACU Agreement (SACU)

Date	Title
15 Dec 2018	Status of Agreements concluded by the Southern African Customs Union (SACU) States
13 Jul 2017	Southern African Customs Union Agreement 2002 (As amended on 12 April 2013)
26 Apr 2016	Preferential Trade Agreement between the Common Market of the South (MERCOSUR) and The Southern African Customs Union (SACU
27 Oct 2014	Free Trade agreement between the EFTA States and the SACU States
21 Oct 2002	SACU Agreement between the governments of The Republic of Botswana, The Kingdom of Lesotho, The Republic of Namibia, The Republic of South Africa and The Kingdom of Swaziland
11 Dec 1969	Customs Union Agreement between the Governments of the Republic of South Africa, The Republic of Botswana, The Kingdom of Lesotho and The Kingdom of Swaziland acceded to by The Republic of Namibia on 6 July 1990
30 Jul 1910	Customs Agreement between the government of the Union of South African and the Territories of Basutoland, Swaziland, and Bechuanaland Protectorate

With the independence of Namibia in 1990 and the end of apartheid in South Africa in 1994, SACU members embarked on new negotiations in November 1994, which culminated in a new SACU Agreement in 2002. The SACU Agreement, 2002 addressed certain outstanding issues., such the establishment of the joint decision – making processes, establishment of an independent administrative Secretariat to oversee SACU with its headquarters in Windhoek, Namibia and the establishment of several independent institutions. These institutions are designed to enhance equal participation by member states. The SACU Agreement, 2002 also provides for policy coordination in agriculture, industry, competition, and unfair trade practices, and protection of infant industries.

The issue of most concern in the 1969 Agreement was the Revenue Sharing Formula (RSF), which determined each country`s share of the Common Revenue Pool. Following negotiations, the RSF was amended in 1976 to include a stabilization factor that ensured that the BLS received at least 17 percent, and at most 23 percent, of the value of their imports and excise duties.

3.2.1. Revenue Sharing Formula of SACU

The revenue sharing formula of SACU agreement (developed in 2004) has three Components, including a custom component, an excise component and a development component. They are discussed as follows.

The Custom Component: The Customs Component consists of the gross amount of customs duties and specified and *ad valorem* customs duties levied and collected on goods imported into the Common Customs Area. A member state's share of customs component is calculated from the value of goods imported from all other member states in a specific year as a percentage of total intra-SACU imports. In other words, a member state's share of customs component is allocated based on that country's share of intra-SACU imports.

Excise Component: The Excise Component consists of the gross amount of excise duties levied or collected on goods produced in the Common Customs Area. It is distributed on the basis of each country's share of total SACU gross domestic product (GDP), a proxy for the value of excisable goods consumed.

The Developmental Component: The Development Component is funded from a fixed percentage (15%) of the excise component or total excise revenue. Each member state receives a share of the development component and the distribution of this component is weighed in favour of the less development members. The development component is distributed according to the inverse of each country's (GDP) per capita.

3.3. South African Development Community (SADC)

The Southern African Development Community (SADC) was established as a development coordinating conference (SADCC) in 1980 and transformed into a development community in 1992. It is an inter-governmental organisation whose goal is to promote sustainable and equitable economic growth and socio-economic development through efficient productive systems, deeper co-operation and integration, good governance and durable peace and security among fifteen Southern Africa.

The main objectives of Southern African Development Community (SADC) are to achieve economic development, peace and security, and growth, alleviate poverty, enhance the standard and quality of life of the peoples of Southern Africa, and support the socially disadvantaged through Regional Integration. These objectives were announced to be achieved through increased regional integration, built on democratic principles, and equitable and sustainable development.

The SADC Free Trade Area was established in August 2008, after the implementation of the SADC Protocol on Trade in 2000, which laid the foundation for its formation. On Wednesday 22 October 2008, SADC joined with the Common Market for Eastern and Southern Africa and the East African Community to form the African Free Trade Zone, including all members of each of the organizations. The leaders of the three trading blocs agreed to create a single free trade zone, the African Free Trade Zone, consisting of 26 countries.

3.3.1. SADC Common External Tariff

A Free Trade Area, in which Member States agree to remove tariffs against each other but are free to levy their own external tariffs on non-member nations, fosters economic cooperation between Member States. According to its Protocol on Trade under the SADC Treaty, the SADC economies applies a common external tariff in the beginning of 2008, while most customs duties were eliminated on goods from the participating Member States (i.e. about 85% of goods attained zero duty). The common external tariff varies for different products.

3.4. Central African Economic and Monetary Community (CEMAC)

The Central African Economic and Monetary Community (CEMAC) is made up of six States: Gabon, Cameroon, the Central African Republic (CAR), Chad, the Republic of the Congo and Equatorial Guinea. With a total population of about 37 million, it covers a total surface of around 3 million square KM. CEMAC was created in 1994 and became operational after the treaty's ratification in 1999. However, the historical roots of this regionalization process can be traced back to the early post-colonial or even colonial period. Whereas it is indeed possible to find the idea to create and define a Central African region already at the end of the nineteen's century as part of Germany's colonial expansionism projects, the first steps towards regional integration have been laid under the French colonial regime.

CEMAC is one of the most important regional groupings in Africa. Over the past few years – and much like the rest of sub-Saharan Africa – the region has seen robust growth and macroeconomic stability. The Monetary Union UMAC and the Economic Union UEAC present the two main pillars of CEMAC. They are supposed to guide and root the regionalization process. UMAC's main institution remains BEAC that issues the common currency Franc CFA and guarantees its stability by defining and managing monetary policies, exchange operations and reserves in Member States. The other core element of the CEMAC community, the economic union UEAC, is currently less advanced and still in a set up process.

According to CEMAC's treaty, a three-step plan was supposed to progressively lead to the establishment of a common market and the setup of the economic union by 2015. This process is expected to go from the harmonization of national and elaboration of common economic legislations (1999-2004), to the establishment of free movement of goods, services, capital and persons (2005-2009) and to end with a final step to consolidate and evaluate the achieved results. The implementation of common legislations on the national level has for instance taken longer than scheduled. Although the end of the second stage is now approaching, the agreement on the free movement of citizens has not been put into reality.

3.4.1. Revenue Sharing Formula of CEMAC

Officially, CEMAC became a free-trade area by the end of 2000. But many tariff and non-tariff barriers still exist and largely explain the low level of intra-regional trade.[3]

3.5. Economic Community of West African States (ECOWAS)

The Economic Community of West African States (ECOWAS) was established on May 28 1975 via the treaty of Lagos. ECOWAS is a 15-member regional group with a mandate of promoting economic integration in all fields of activity of the constituting countries.[4] As one of the pillars of the African Economic Community, ECOWAS was set up to foster the ideal of collective self-sufficiency for its member states. As a trading union, it is also meant to create a single, large trading bloc through economic cooperation.

The Vision of ECOWAS is the creation of a borderless region where the population has access to its abundant resources and is able to exploit same through the creation of opportunities under a sustainable environment. ECOWAS has created an integrated region where the population enjoys free movement, have access to efficient education and health systems and engage in economic and commercial activities while living in dignity in an atmosphere of peace and security. ECOWAS is now pre-occupied with the implementation of critical and strategic programmes that will deepen cohesion and progressively eliminate identified barriers to full integration as envisaged.[5]

The Economic Community of West African States (ECOWAS) Treaty is a multilateral agreement signed by the member states that made up the Economic Community of West African States. The initial treaty was signed by the Heads of States and Governments of the then 16-member states in 1975 in Lagos, Nigeria. With new developments and mandates for the Community a revised treaty

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[3] http://www.internationaldemocracywatch.org/index.php/central-african-economic-and-monetary-community

[4] The member countries making up ECOWAS are Benin, Burkina Faso, Cape Verde, Cote d' Ivoire, The Gambia, Ghana, Guinea, Guinea Bissau, Liberia, Mali, Niger, Nigeria, Sierra Leone, Senegal and Togo.

[5] http://www.ecowas.int/about-ecowas/basic-information/

was signed in Cotonou, Benin Republic in July 1993 by the heads of states and government of the now 15-member states.

3.6. West African Monetary and Economic Union (WAMEU/UEMOA))

The West African Monetary and Economic Union (also known under the French acronym, UEMOA) was established with the Treaty signed in Dakar on 10 January, 1994 by the Heads of State and Government of seven West African countries using the CFA Franc in common. The Member States are Benin, Burkina Faso, Côte d'Ivoire, Mali, Niger, Senegal and Togo.

The West African Economic and Monetary Union (UEMOA) is an organization of eight, which was established to promote economic integration among countries that share the 'franc' as a common currency. UEMOA was created by a Treaty signed at Dakar, Senegal, on 10 January 1994, by the heads of state and governments of Benin, Burkina Faso, Côte d'Ivoire, Mali, Niger, Senegal, and Togo. On 2 May 1997, Guinea-Bissau, a former Portuguese colony, became the organization's eighth. It is a custom and also currency union. Its aims are to create a common market, to co-ordinate the sectoral policies and to harmonise the fiscal policies

Among its achievements, the UEMOA has successfully implemented macro-economic convergence criteria and an effective surveillance mechanism. It has adopted a customs union and common external tariff and has combined indirect taxation regulations, in addition to initiating regional structural and sectoral policies. A September 2002 IMF survey cited the UEMOA as "the furthest along the path toward integration" of all the regional groupings in Africa.

UEMOA is represented by a logo that symbolizes growth, union, solidarity and complementarity between the Coastal and Sahel States.

The West African Monetary Union (WAMU) is one of the most successful experiences of economic integration in Sub-Saharan Africa. The WAMU reached a new level following the devaluation of the CFA franc in January 1994, with the harmonization of trade policies of member countries and the adoption of a common external tariff (CET). Various strategies were launched immediately after the integration was signed.

3.7. East Africa Community (EAC)

The East African Community (EAC) is a regional organization mandated by the governments of Burundi, Kenya, Rwanda, Uganda and Tanzania to spearhead the East African economic, social and political integration agenda. The Treaty for the Establishment of the East African Community was signed in November 1999 and entered into force in July 2000. The regional cooperation and integration envisaged in EAC is broad based. According to the treaty objectives are to develop policies and programs that aimed at widening and deepening cooperation among the Partner States in political, economic, social and cultural fields, research and technology, defense, security and legal and judicial affairs for their mutual benefit.

The Republic of Rwanda and the Republic of Burundi acceded to the EAC Treaty on 18 June 2007 and became full Members of the Community with effect from 1 July 2007. The Republic of South Sudan acceded to the Treaty on 15 April 2016 and become a full Member on 1 The process towards an East African Federation is being fast tracked, underscoring the serious determination of the East African leadership and citizens to construct a powerful and sustainable East African economic and political bloc. 5 August 2016.

The Vision of the EAC is to attain a prosperous, competitive, secure and politically united East Africa, while the Community's Mission is to widen and deepen economic, political, social and cultural integration in order to improve the quality of life of the people of East Africa through increased competitiveness, value added production, enhanced trade and investment.

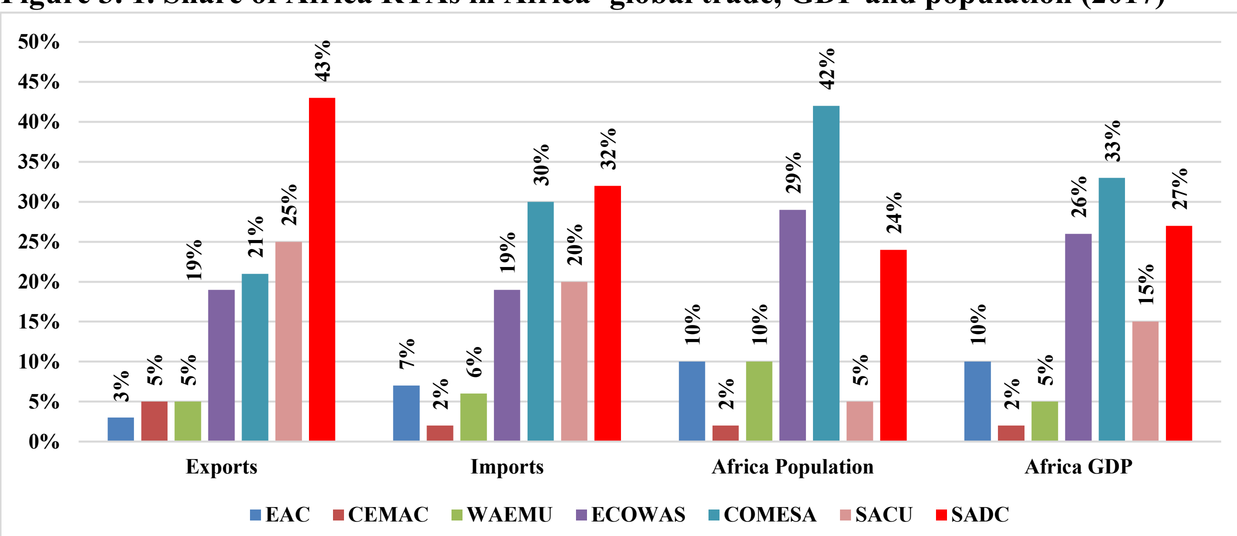
3.8. Trade and Economic Position of RTAs

Table 3. 4. Global Trade Statistics and GDP of African

	Source: UNCOMTRADE					Source: WDI			
	Global Trade (USD)-Million (2017)			Share in Africa Global Trade		Population (Million) (2016)		GDP (USD Million)	
Africa RTAs'	Exports to All Countries	Imports from All Countries	Trade Balance	Share in Exports	Share in Imports	Population (Million)	Share in Africa Population	GDP (USD Million)	Share in Africa GDP
CEMAC	20969	10692	10277	5%	2%	29.41	2%	45053.36	2%
COMESA	82509	147160	-64651	21%	30%	514.46	42%	712557.05	33%
EAC	11588	33974	-22386	3%	7%	121.89	10%	219559.02	10%
ECOWAS	73783	89580	-15797	19%	19%	357.36	29%	560805.83	26%
SACU	99397	96016	3381	25%	20%	64.29	5%	327997.18	15%
SADC	169250	153573	15677	43%	32%	289.16	24%	578505.43	27%
WAEMU	20396	30060	-9664	5%	6%	116.72	10%	98460.89	5%

Share of Africa Economic Community Groups in Africa's global trade, Population and GDP is also reflected as follows.

Figure 3. 1. Share of Africa RTAs in Africa' global trade, GDP and population (2017)[6]



[6] ** Sum of shares of all RTAs may be greater than 1, as some African economies are members of more than 1 RTA.

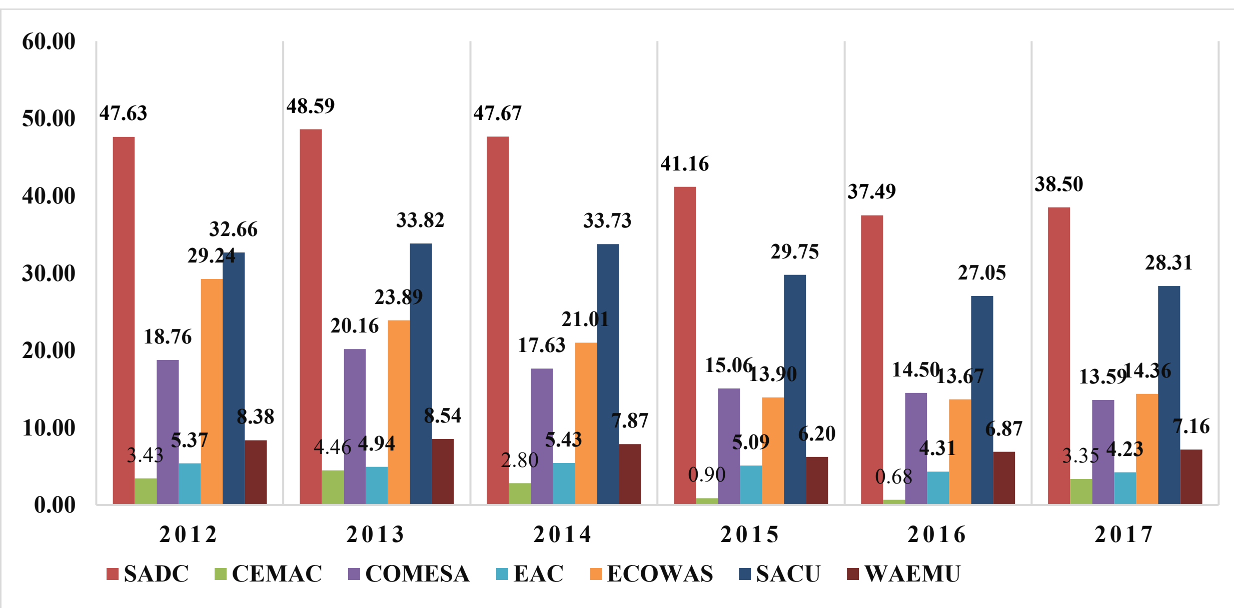
As evident, South Africa Development Community (SADC) is the largest Africa's RTA in terms of global trade with 43 % and 32 % shares in Africa's global exports and imports respectively. SACU stands as the second largest exporter of all the Africa's RTAs followed by COMESA and then ECOWAS. Likewise, the largest importer RTA in Africa is SADC (32 % share in total Africa's imports) followed by COMESA (30 % share in total imports of Africa) and then CEMAC – contributing 20 % to total imports of Africa. COMESA shares the largest share of Africa's total population – contributing (42 %) followed by ECOWAS (29 %) and then SADC (24 %). Similarly, COMESA holds the largest share in total Africa's GDP (33 % share), followed by SADC (27 %) and then ECOWAS (26 %).

3.9. Intra Africa Trade by Regional Economic Communities

3.9.1. Exports Trend

Trend in exports by regional economic groups of Africa to (Intra-Africa) is reflected in Figure 3.2. As evident, the largest Africa's RTA supplier of exports to African's economies is SADC followed by SACU and then ECOWAS, however, the volume of intra – Africa's exports are decreasing during 2013-2015, primarily due to the global slowdown. There is a slightly reversing trend, i.e. increase in the intra Africa's exports during 2016 and 2017.

Figure 3. 2. Intra-Africa Exports Trend of Africa RTAs (US $ billion)

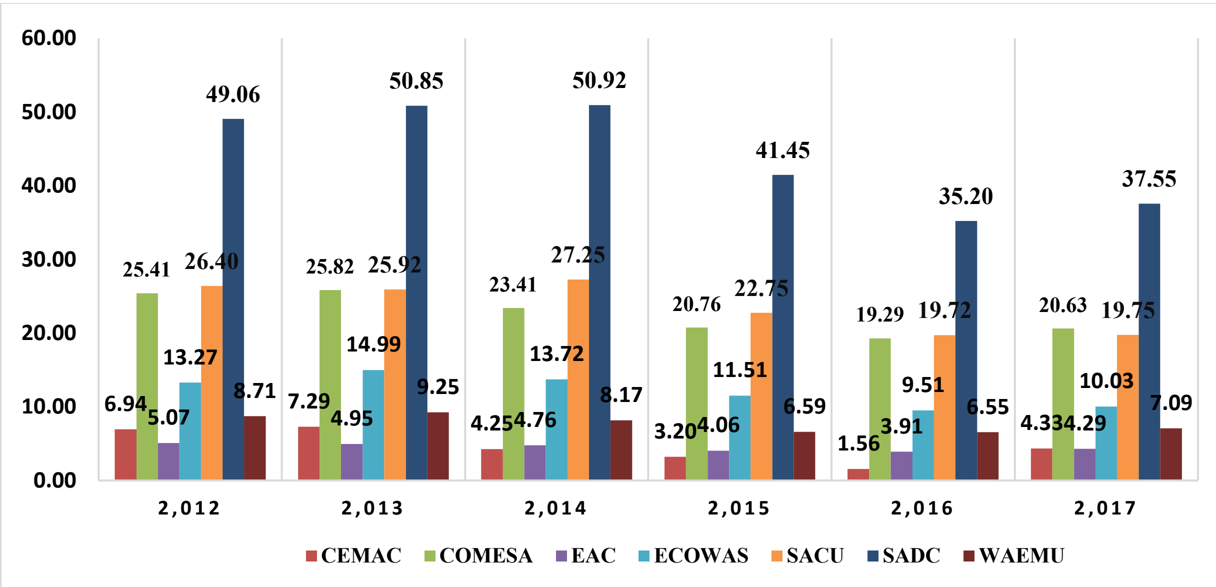


Source: UN COMTRADE

3.9.2. Intra – Africa's import trend

As evident from the Figure below, SADC is the largest Intra – Africa's importer RTA in the African continent, followed by SACU and then COMESA. Intra – Africa imports trend of African RTAs is depicted as follows.

Figure 3. 3. Intra-Africa Imports Trend of Africa RTAs (US $ Billion)



Source: ITC Trade Map

3.10. Non – Tariff Barriers in the Africa Regions

The nature of non-tariff barriers in African region are mostly associated with the regulatory requirements and slow implementation of trade facilitation measures. The regulatory requirements have negative impact on trade due to non-compliance of rules of origin and boarder documentation, pre-shipment inspections, registration requirement for importers for technical barriers to trade (TBTs) reasons and special authorization requirement Sanitary and Phytosanitaryh (SPS) measures. Whereas, slow implementation process of trade facilitation measures that includes harmonization and coordination of SPS measures, boarder operating timings, custom documentation, certification and testing requirements. The slow implementation of trade facilitation leads to lack of transparency, trust and less access to information. These are the major barriers to regional as well as intra Africa trade. Other NTBs that still exist include customs documentation requirements, cumbersome formalities, and limited testing, certification arrangements, un-standardized weighbridges, lack of recognition of individual country's standards and the existence of several un-harmonized standards.

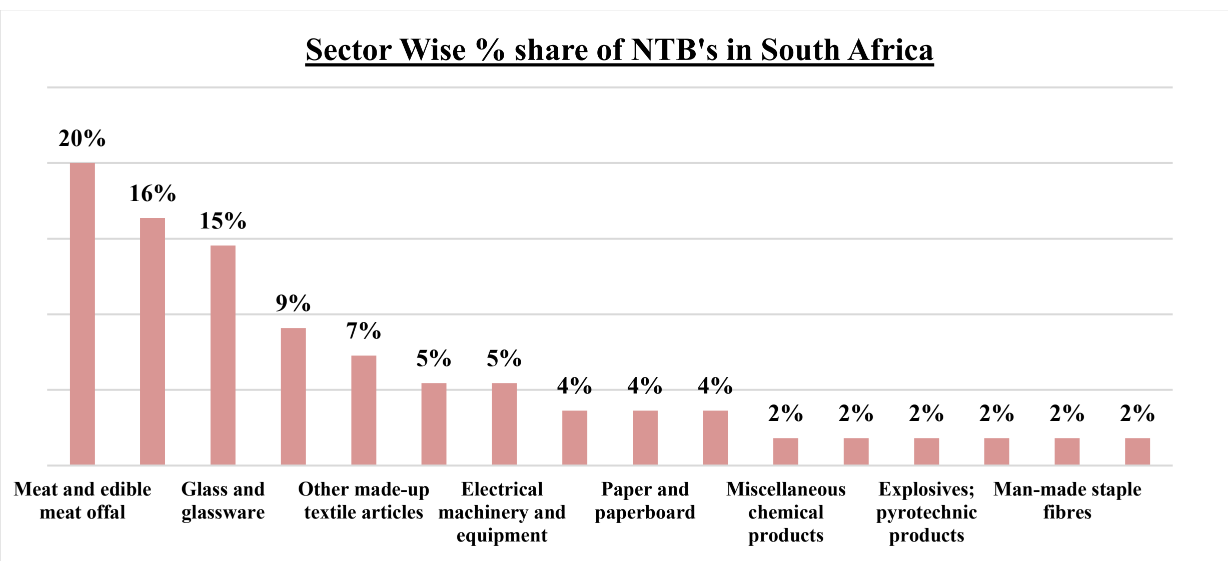
Data on NTBs is not available for most of the African economies. Based on the availability of the data, NTBs for few African economies are reviewed. The countries with NTBs in the African region include Ghana, Nigeria, South Africa, Egypt and Tunisia. NTB data for rest of the African is not available.

3.10.1. Pakistan's Trade Partners' African Economies with Non-Tariff Barriers

a) South Africa

South Africa is Pakistan's second largest export destination in the African region. Pakistan's exports to South Africa stands at US $ 176 million during 2017-18 (12 % of Pakistan's exports to the Africa region) against US $ 186.41 million during 2016-17 (5 % growth rate). This indicates that South Africa is an emerging exports market for Pakistan in the Africa region. Pakistan's top exports to South Africa include cotton, apparels (articles of textiles and clothing), fibers, raw hides and skins, leather products, iron and steels and furniture. South Africa is one of the largest NTB imposing economy in the African Continent. South Africa. Africa's sectors' wise share of NTBs is given in the following Figure.

Figure 3. 4. Sector Wise % Share of NTBs applied by South Africa



Source: WITS

Nearly all of the reported South Africa NTBs are related to the 'Minimum import price'. Around 20 % are imposed on meat and edible meat offal, followed by articles of iron and steels, which share 16 % of all Africa reported NTBs and then glass and glass ware, which share 15 % of all the South Africa reported NTBs. Most of the reported NTBs are imposed in imports from Brazil, Netherland, German, Belgium, China and Korea. Pakistan also is one of the suppliers of some of the South Africa's imports sectors that are subject to NTBs.

Non – Tariff Barrier: '*Reference Price and other Price Control'* is the frequently applied Non-Tariff Barriers that is imposed on 22 lines from different partners, followed by Administrative pricing – applied to 17 tariff lines and then minimum price control – applied to 16 tariff lines. The following Table depicts the situation.

Table 3. 5. NTBs applied by South Africa by Types

NTBs applied by South Africa by Types and No of Tariff Lines	
Type of NTM's	**Percentage of TL that are subject to ITBs**
Reference prices and other price controls	**40.0%**
Administrative pricing	**30.9%**
Minimum import prices	**29.1%**
Total (no of Tariff Lines that are subject to NTBs)	**100.0%**

Source: WITS

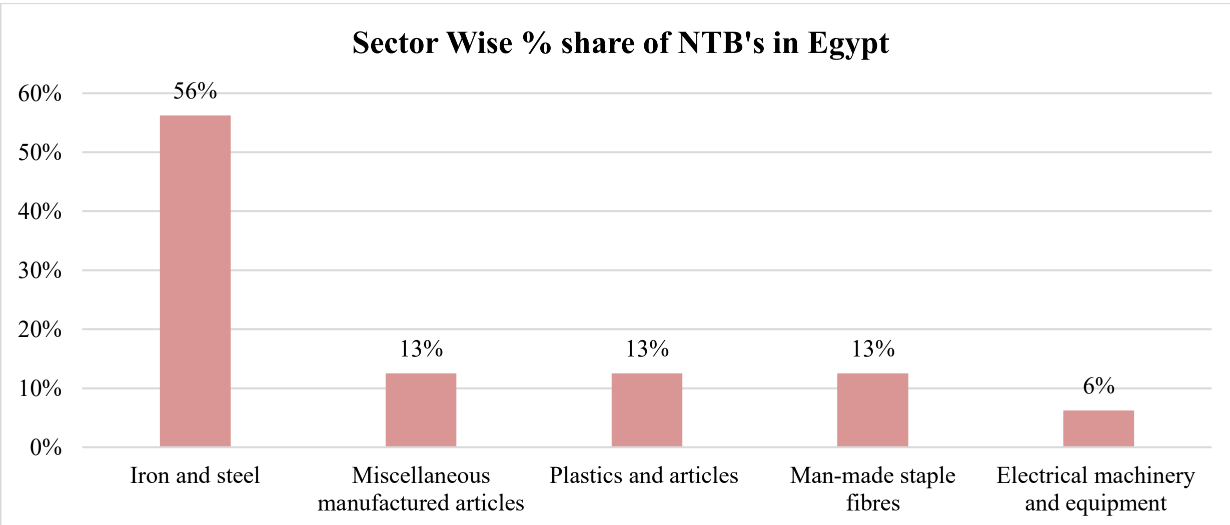
b) Egypt

Egypt is Pakistan's 5th largest African exports destination of Pakistan. Pakistan's exports to Egypt stands at US $ 78 million during 2017-18 against US $ 85 million in 2016-17 showing a decline by 8 %. Pakistan's top exports to Egypt include cotton, Pharmaceutical products, optical and photographic, medical and surgical goods, paper and paperboard, arms and ammunitions and plastics and articles of plastics. However, Pakistan's exports to Egypt during the first 6 months of the current financial year increased to US $ 42.7 million during July – December 2018 from same period last year, indicating an increase by 6 %. This indicates that

Pakistan has started regaining its exports market share in top economies of the African continent.

Like other African economies, Egypt also imposes various NTBs on imports from various partners from across the world. The sectoral composition of Egypt NTBs is reflected as follows.

Figure 3. 5. Sectoral Distribution of Egyptian Non – Tariff Barriers



As evident most of the NTBs are imposed on Iron & steel (56%). Egypt – NTBs include 'minimum price', 'reference price and other price control' and 'administrative pricing'. The classification of Egyptian NTBs are summarized in the following Table.

Table 3. 6. Classification of Egypt's NTBs by Types

Classification of Egypt's NTBs by Types	
NTM Types	**Percentage of Tariff Lines that are Subject to NTMs**
Minimum import prices	75%
Reference prices and other price controls	19%
Administrative pricing	6%
Total	100%

Source: WITS

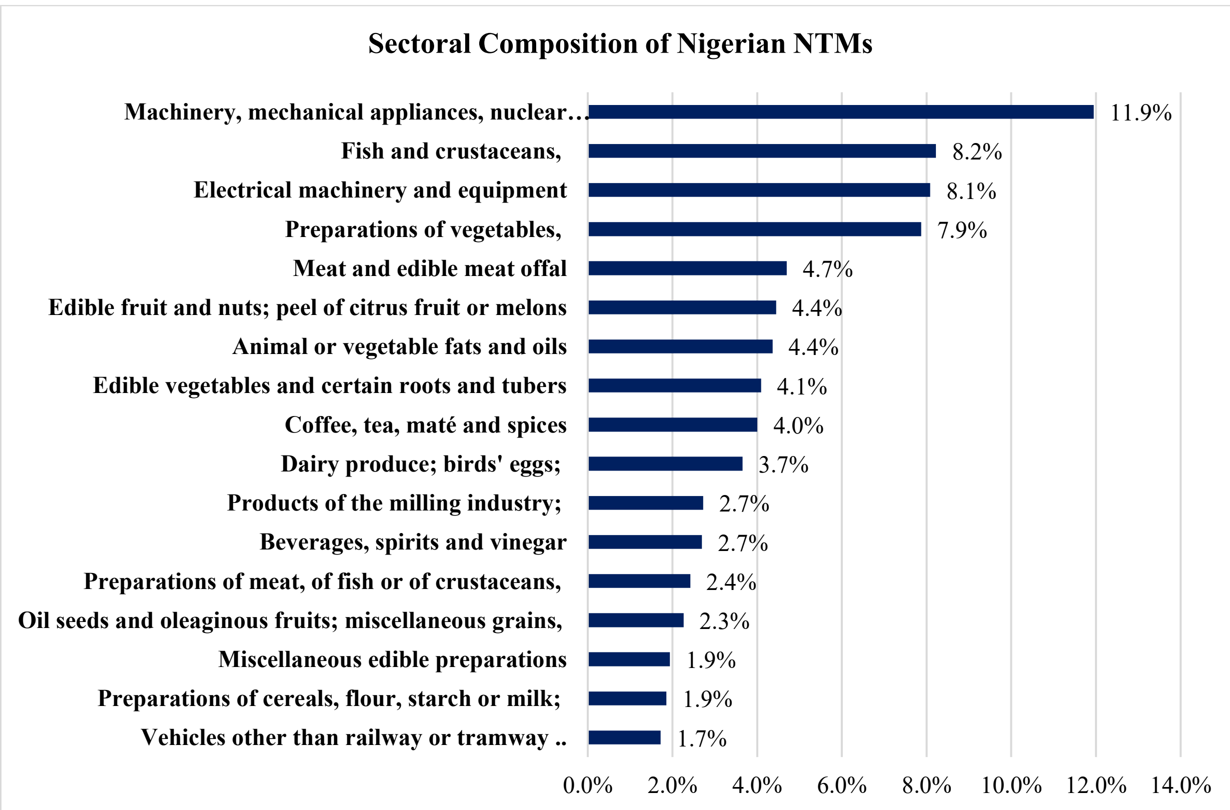
Note: The WITS – reported Egyptian NTMs data is available only for 2013, data for the latest years is not available.

As indicated above, the largest Non – Tariff Barrier of Egypt is the minimum imports prices, which cover 75 % of the total lines affected.

c) Nigeria

Nigeria is Pakistan's 7th largest exports destination economy in the Africa region. Pakistan's exports stand at US $ 54 million during 2017-18 against US $ 46.6 million during 2916-17, showing an increase by 16 %. Pakistan's top exports to Nigeria include yarn, rice, medicaments, ethyl alcohol (ethanol), tractors and paper and paperboard etc. However, during the first 6 months of the current financial year, exports to Nigeria declined to US $ 21.22 million from US $ 26.69 million in same period of the previous financial year. The possible reason may be the large number of NTBs, which Nigeria have applied.

Figure 3. 6. Sectoral Composition of Nigerian NTBs



Source: WITS

Note no 1: The Data on Nigerian NTMs is based on WITS – reported 2013 data. Data for the latest periods is not available. Nigeria's NTBs are applied to the World (all countries) therefore, Pakistani exports pass through the Nigeria's NTBs.

Nigeria is identified with 25 non-tariff barriers including technical measures, non-technical measures and export related measures. The technical measures include SPS and TBT, whereas, non-technical measures include pre-shipment inspection, price and quality control measures. The sectoral composition of Nigerian NTBs are summarized in the above Table.

As indicated above, around 12 % of Nigerian NTMs are applied on machinery and mechanical appliance, 8.3 % of the reported Nigerian NTMs applies to fish and crustaceans, 8.1 % on electrical equipment and 7.9 % of Nigerian NTMs are applied to preparation and vegetables. Rest of the NTM's sectoral distribution detail is given in Figure 3.5 above.

Table 3. 7. Classification of Nigerian NTBs by Types

Classification of Nigerian NTBs by Types	
NTB Types	**Percentage of TLs that are subject to NTBs**
Pre-shipment inspection	19.4%
Labelling requirements	12.7%
Special Authorization requirement for SPS reasons	10.0%
Registration requirements for importers	9.9%
Packaging requirements	6.5%
Authorization requirement for TBT reasons	5.2%
Product quality or performance requirement	4.2%
Restricted use of certain substances in foods and feeds and their contact materials	3.7%
Product registration requirement	3.6%
Tolerance limits for residues of or contamination by certain (non-	3.6%
Hygienic practices during production	3.3%
Registration requirement for importers for TBT reasons	3.3%
Systems Approach	3.2%
Inspection requirement	3.2%
Export price control measures	3.2%
Full prohibition (import ban)	2.2%
Export Prohibition	1.9%
Prohibition for religious, moral or cultural reasons	0.36%
Prohibition for TBT reasons	0.21%
Export Registration requirements	0.16%
Product identity requirement	0.06%
Restricted use of certain substances	0.02%
Prohibition of used, repaired or remanufactured goods	0.00%
Grand Total	**100 %**

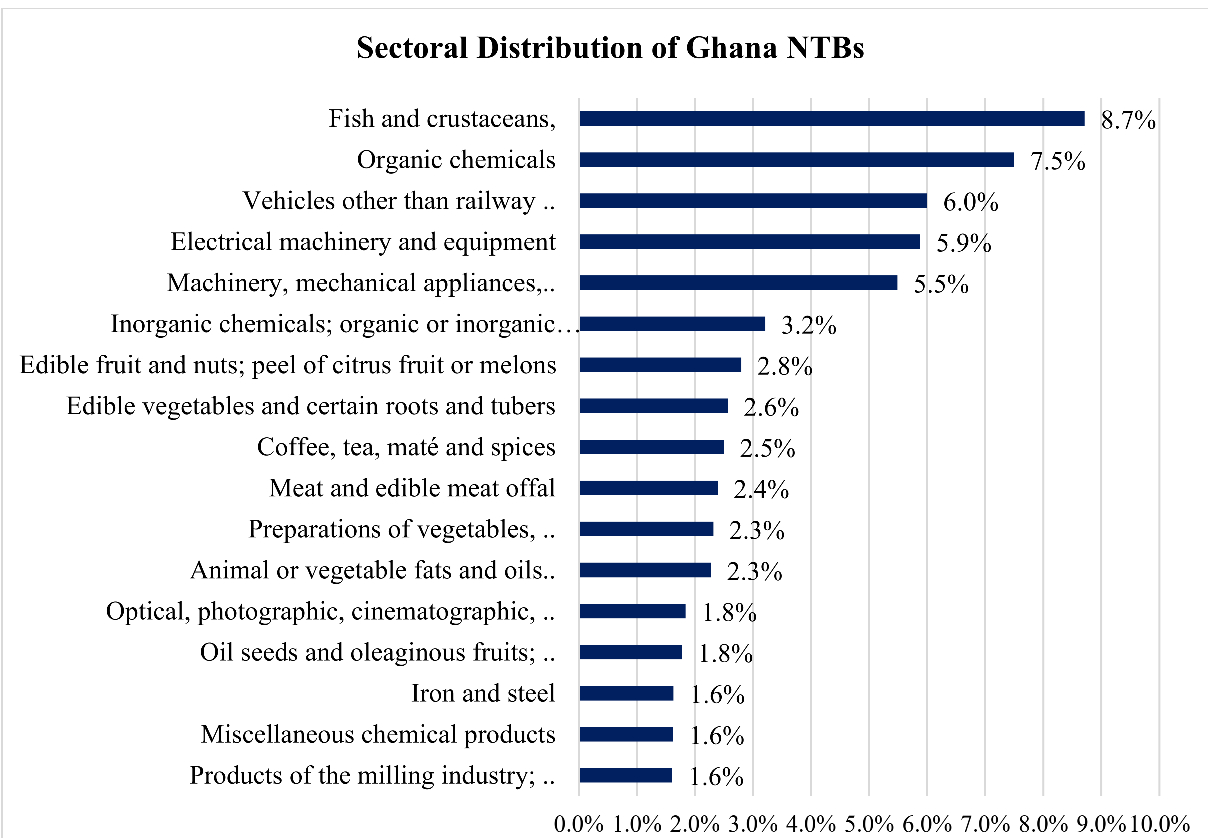
Source: WITS

Likewise, 'pre – shipment inspection' is the largest Non – Tariff Barriers' covering 19 % (4, 120 lines at HS 8) of total lines affected, followed by 'labelling requirements' that cover 13 % of total affected lines 'Special Authorization requirement for SPS reasons', which cover 10 % of the total NTB affected lines and then 'Registration requirements for importers' – covering 9. 9 % of total NTM affected lines. The detail is given by the following Table.

d) Ghana

Ghana is Pakistan's 13th largest destination of Pakistani exports in the Africa region. Pakistan's exports to Ghana increased to US $ 41.38 million during the financial 2017-18 from US $ 12.64 million during the financial year 2016-17, showing an increase by US $ 28.74 million (227 %) – the second top exports destination in Africa in terms of increase in exports in US $ million. Pakistan's top exports to Ghana include ethyl alcohol (ethanol), fibers, wearing apparels, rice, instruments and appliance and medicaments etc.

Figure 3. 7. Sectoral Composition of Ghana NTBs



Source: World Integrated Trade Solution (WITS)

Like Nigeria, Ghana is the other largest imposing Non – Tariff Barriers. It imposes total 31 types of NTBs, including non-technical measures, technical measures and export related measures on a number of tariff lines. Non - technical measures include pre-shipment inspection, price and quality control measures, whereas, technical measures include SPS and TBT. The sectoral distribution of Ghana is given in the above Figure.

As evident, around 8.7 % of NTBs are imposed on 'fish and Crustaceans', followed by organic chemicals, which to (7.5 % of the NTBs applied and then vehicles and other railway products.

Likewise, the largest NTB type is the 'exports technical measures' that cover 14 % of total lines affected, followed by 'certification required by exporting country' – covering 11 % of all NTBs – affected lines and then 'consumption taxes' – which apply to 10 % of all NTBs affected lines. Further detail is given in Table 3.8.

Table 3. 8. Classification of Ghana NTBs by Types w.r.t % Share of total lines

Classification of Ghana NTBs by Types	
NTB Types	**Percentage of TLs that are subject to NTBs**
Export technical measures, n.e.s.	14%
Certification required by the exporting country	11%
Consumption taxes	10%
Internal taxes and charges levied on imports n.e.s.	9%
Custom inspection, processing and servicing fees	9%
Direct consignment requirement	9%
Inspection requirement	6%
Certification requirement	6%
Labelling requirements	5%
Registration requirement for importers for TBT reasons	4%
Testing requirement	4%
Licensing or permit requirements to export	2%
Product registration requirement	1%
Authorization requirement for TBT reasons	1%
Registration requirements for importers	1%
Export Registration requirements	1%
Product quality or performance requirement	1%

Storage and transport conditions	1%
Special Authorization requirement for SPS reasons	1%
Requirement to pass through specified port of customs	1%
Total	100 %

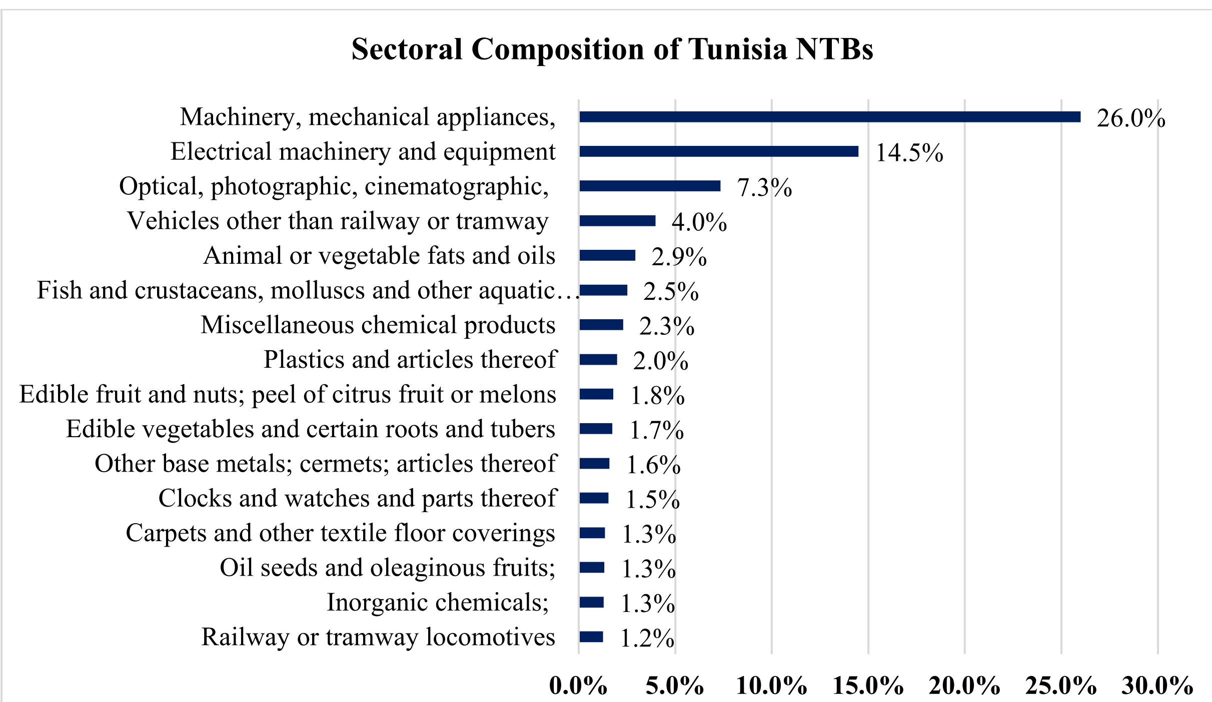
Source: World Integrated Trade Solution (WITS)

e) Tunisia

Tunisia lies in Pakistan's top 20 exports destination in Africa. Pakistan's exports to Tunisia increased from US $ 26 million (2016-17) to US $ 26.83 million (2017-18) indicating an increase by 3 % (US $ 0.80 million). Pakistan's top exports to Tunisia include cotton, man – made fibers, beverages, cereals (rice in particular), raw hides & skins and tractors and parts of tractors etc.

Like other African economies, Tunisia is one of top NTBs economies – applies around 85 Non – Tariff Barriers (NTBs) on imports from various economies. These include export related measures, technical measures and non-technical measures. The technical measures include SPS and TBT, whereas, non-technical measures include finance measures, measuring effecting competition, pre-shipment inspection, price and quality control measures.

Figure 3. 8. Sectoral Composition of Tunisia NTBs



Source: World Integrated Trade Solution (WITS)

Tunisia 26 % of NTBs are imposed on machinery and mechanical appliances followed by electrical machinery and equipment with 14.5 % of all NTBs and then optical, photographic articles with 7.3 % of all the Tunisian NTBs. Further detail is given in the above Figure.

Likewise, ‘llicensing or permit requirements to export’ is the largest Non – Tariff Barrier – applied by Tunisia. It covers around 71 % of all tariff lines followed by ‘temporary geographic prohibitions for SPS reasons’ – applied to 4.9 % of NTBs affected tariff lines. Further detail of Tunisia NTBs is give in Table 3.9 below.

Table 3. 9. Classification of Tunisia NTBs by Types w.r.t % share of total lines

Classification of Tunisia NTBs by types and % share of the Lines affected	
NTBs Types	**Percentage of TLs that are subject to NTBs**
Licensing or permit requirements to export	71.3%
Temporary geographic prohibitions for SPS reasons	4.9%
Export measures n.e.s.	3.6%
Bank authorization	1.9%
Export Registration requirements	1.8%
Export subsidies	1.8%
Export credits	1.8%
Tax on transport facilities	1.8%
Inspection requirement	1.6%
Labelling requirements	1.1%
Certification requirement	1.0%
Testing requirement	0.9%
Certification required by the exporting country	0.5%
Consumption taxes	0.4%
Packaging requirements	0.4%
Processing history	0.4%
Import monitoring and surveillance requirements and other	0.3%
Export technical measures, n.e.s.	0.3%

From the above discussion, it is revealed that most of the African economies apply various Non - Tariff Barriers on goods coming from other countries. However, there exist no specific to Pakistan Non – Tariff Barriers by the above listed economies on Pakistani exports. Nigeria and Tunisia are among the largest NTBs imposing economies in the economies. As Nigeria and Tunisia are among Pakistan’s top export destination economies in the African region, so Pakistan’s exports to Africa are subject to various NTBs. Therefore, there is enough scope of increasing the bilateral trade flows if Pakistan carry out bilateral trade negotiations with these economies.