REGIONAL INTEGRATION AGENDA IN SADC
- Integration approach – progressive elimination of obstacles to the free movement of goods, services, capital, and labour, and of the people
- SADC Treaty of 1992 – and associated Protocols are main drivers of integration;
- The protocols constitute SADC’s legal instruments and require ratification by two thirds majority;
- Regional Indicative Strategic Development Plan (RISDP), of 2003 2002, articulates a 15-year roadmap as the blueprint for integration; calling for deeper integration (FTA, CU, CM, MU) by 2018 (net met);
- Other instruments include memoranda of understanding (MoU); declarations and policy frameworks, whose implementation is performed by a best-endavour basis;
- A new discourse on ‘development integration’ with emphasis on infrastructure and industrial development;
- The SADC tradeg policy framework

SADEC and most-favoured nation tariff profiles – divergent levels of most-favoured nation protection remain

Tariff Rate (% of CIF)

<table>
<thead>
<tr>
<th>Country</th>
<th>2006</th>
<th>2007</th>
<th>2008</th>
</tr>
</thead>
<tbody>
<tr>
<td>Malawi</td>
<td>16.0</td>
<td>14.0</td>
<td>12.0</td>
</tr>
<tr>
<td>Mauritius</td>
<td>20.0</td>
<td>18.0</td>
<td>16.0</td>
</tr>
<tr>
<td>South Africa</td>
<td>10.0</td>
<td>8.0</td>
<td>6.0</td>
</tr>
<tr>
<td>Tanzania</td>
<td>15.0</td>
<td>13.0</td>
<td>11.0</td>
</tr>
<tr>
<td>Zimbabwe</td>
<td>25.0</td>
<td>23.0</td>
<td>21.0</td>
</tr>
</tbody>
</table>

- Rules of origin remains an unfinished business – becoming an effective non-tariff barrier to trade in the region.
- The change of tariff heading was replaced by multiple transformation rules and/or detailed descriptions of rules of origin;
- Value added requirements were raised and permissible levels of import content were decreased.
- Conventional products, include Textiles & Clothing; Wheat flour; some processed products e.g. (blended teas; coffees; spices – issue regarding local content requirements);
- Structural measures in implementing Annexes to the Trade Protocol;
- These Annexes provide for harmonization of policies and regulations, especially as they relate to customs and trade facilitation, sanitary and phytosanitary (SPS), and technical barriers to trade (TBT) measures;
- Challenges around implementation, due to lack of technical capacity, resource constraints; decentralised approach; overlapping membership (COMESA-EAC-SADC);

Non-tariff barriers have replaced tariffs:
- specific disciplines on non-tariff barriers, export duties, and quantitative restrictions – eliminate existing; refrain from new NTBs; not apply export duties; No quantitative import and export restrictions;
- Trade in services – affected by a myriad of policy and regulatory barriers;
- Six sectors of immediate interest in SADC have been prioritized. These are communication, construction, energy-related services, financial, tourism, and transport services
- Importance cannot be overemphasized – Services account for 50% of regional GDP and the bulk of employment;

Other Important Policy Frameworks

Industrial Policy framework
- Article 4(2) of the Trade Protocol provides that the process of elimination of intra-SADC import duties should be accompanied by an industrialization strategy to improve the competitiveness of firms;
- diverses levels of economic development - wide variation in economic activity and incomes within and between countries in the region (RSA – 63% of SADC GDP).

Sustainable food security is a top priority and features prominently as one of the intervention priorities;
- AT MFN rates, average tariff in Malawi of 24.4% in Zimbabwe and the lowest average of 1.8 in Mauritius;
- Other with high tariffs - Zambia, Tanzania, and Malawi main culprits in terms of the incidence of reported NTBs, mostly affecting trade in agriculture.
- In the context of the SADC FTA - imply tariffs replaced with NTBs

The SADC Energy Policy Framework

Two key instruments
- the Protocol on Energy; and
- the Energy Coordinating Policy and Strategy Action Plan;
- Emphasis on:
  - harmonisation of national and regional policies and regulatory frameworks;
  - Cooperation in energy development and trading through development of the necessary infrastructures;