

CHAPTER ELEVEN

CO-OPERATION IN TRADE LIBERALISATION AND DEVELOPMENT

ARTICLE 74

East African Trade Regime

In order to promote the achievement of the objectives of the Community as set out in Article 5 of this Treaty, and in furtherance of Article 2 of this Treaty, the Partner States shall develop and adopt an East African Trade Regime and co-operate in trade liberalisation and development in accordance therewith.

ARTICLE 75

Establishment of a Customs Union

1. For purposes of this Chapter, the Partner States agree to establish a Customs Union details of which shall be contained in a Protocol which shall, inter alia, include the following:
 - (a) The application of the principle of asymmetry;
 - (b) The elimination of internal tariffs and other charges of equivalent effect;
 - (c) The elimination of non-tariff barriers;
 - (d) Establishment of a common external tariff;
 - (e) Rules of origin;
 - (f) Dumping;
 - (g) Subsidies and countervailing duties;
 - (h) Security and other restrictions to trade;
 - (i) Competition;
 - (j) Duty drawback, refund and remission of duties and taxes;
 - (k) Customs co-operation;
 - (l) Re-exportation of goods; and
 - (m) Simplification and harmonisation of trade documentation and procedures.
2. The establishment of the Customs Union shall be progressive in the course of a transitional period as shall be determined by the Council.
3. For purposes of this Article, the Council may establish and confer powers and authority upon such institutions as it may deem necessary to administer the Customs Union.

4. With effect from a date to be determined by the Council, the Partner States shall not impose any new duties and taxes or increase existing ones in respect of products traded within the Community and shall transmit to the Secretariat all information on any tariffs for study by the relevant institutions of the Community.
5. Except as may be provided for or permitted under this Treaty, the Partner States agree to remove all the existing non-tariff barriers on the importation into their territory of goods originating from the other Partner States and thereafter to refrain from imposing any further non-tariff barriers.
6. The Partner States shall refrain from enacting legislation or applying administrative measures which directly or indirectly discriminate against the same or like products of other Partner States.
7. For purposes of this Article, the Partner States shall within a period of four years conclude the Protocol on the Establishment of a Customs Union.

ARTICLE 76

Establishment of a Common Market

1. There shall be established a Common Market among the Partner States. Within the Common Market, and subject to the Protocol provided for in paragraph 4 of this Article, there shall be free movement of labour, goods, services, capital, and the right of establishment.
2. The establishment of the Common Market shall be progressive and in accordance with schedules approved by the Council.
3. For purposes of this Article, the Council may establish and confer powers and authority upon such institutions as it may deem necessary to administer the Common Market.
4. For the purpose of this Article, the Partner States shall conclude a Protocol on a Common Market.

ARTICLE 77

Measures to Address Imbalances Arising from the Application of the Provisions for the Establishment of a Customs Union and a Common Market

For purposes of this Article, the Partner States shall within the framework of the

Protocols provided for under Articles 75 and 76 of this Treaty, take measures to address imbalances that may arise from the application of the provisions of this Treaty.

ARTICLE 78

Safeguard Clause

1. In the event of serious injury occurring to the economy of a Partner State following the application of the provisions of this Chapter, the Partner State concerned shall, after informing the Council through the Secretary General and the other Partner States, take necessary safeguard measures.
2. The Council shall examine the method and effect of the application of existing safeguard measures and take decisions thereon.