CHAPTER TWELVE

CO-OPERATION IN INVESTMENT AND INDUSTRIAL DEVELOPMENT

ARTICLE 79

Industrial Development

In order to promote the achievement of the objectives of the Community as set out in Article 5 of this Treaty, the Partner States shall take such steps in the field of industrial development that will:

(a) promote self-sustaining and balanced industrial growth;

(b) improve the competitiveness of the industrial sector so as to enhance the expansion of trade in industrial goods within the Community and the export of industrial goods from the Partner States in order to achieve the structural transformation of the economy that would foster the overall socio-economic development in the Partner States; and

(c) encourage the development of indigenous entrepreneurs.

ARTICLE 80

Strategy and Priority Areas

1. For purposes of Article 79 of this Treaty, the Partner States shall take measures to:

(a) develop an East African Industrial Development Strategy;

(b) promote linkages among industries within the Community through diversification, specialisation and complementarity, in order to enhance the spread effects of industrial growth and to facilitate the transfer of technology;

(c) facilitate the development of:

(i) small-and-medium scale industries including sub-contracting and other relations between larger and smaller firms;

(ii) basic capital and intermediate goods industries for the purposes of obtaining the advantages of economies of scale; and

(iii) food and agro industries;

(d) rationalise investments and the full use of established industries so as to promote efficiency in production;

(e) promote industrial research and development and the transfer, acquisition, adaptation and development of modern technology, training, management and consultancy services through the establishment of joint industrial institutions and other infrastructural facilities;

(f) harmonise and rationalise investment incentives including those relating to taxation of industries particularly those that use local materials and labour with a view to promoting the Community as a single investment area;

(g) disseminate and exchange industrial and technological information;

(h) avoid double taxation; and

(i) maintain the standardisation, quality assurance, metrology and testing currently applicable and such other standards as may be adopted by the Council after the signing of this Treaty for goods and services produced and traded among the Partner States pending the conclusion of a protocol under paragraph 4 of Article 81 of this Treaty.

2. The Partners States shall take such other measures for the purposes of Article 79 of this Treaty as the Council may determine.