



MINISTRY OF TOURISM, TRADE AND INDUSTRY



THE EAST AFRICAN COMMUNITY (EAC) COMMON MARKET; *WHAT IS IN IT FOR YOU*

**A Market of 127 Million
+ Consumers; Know how
to get to them**

1. What is the EAC Common Market?

The EAC "Common Market" means the Partner States' (Uganda, Kenya, Rwanda, Tanzania and Burundi) markets integrated into a single market in which there is free movement of persons, labour, goods, services and capital; and the right of establishment and residence. The Common Market is a significant step towards the achievement of the next milestones in the integration process namely; the Monetary Union and the EAC Political Federation.

2. When was the EAC Common Market launched?

The Protocol on the Establishment of the East African Community (EAC) Common Market entered into force on 1 July 2010, following ratification by all the five Partner States: Burundi, Kenya, Rwanda, Tanzania and Uganda. The Protocol was signed by the Heads of States on 20 November 2009, coinciding with the 10th anniversary celebrations of the Community.

3. Why did the EAC Partner States form themselves into a Common Market?

The EAC Partner States formed themselves into a Common Market in order to:

- i. Accelerate economic growth and development of the Partner States through the attainment of free movement of persons, labour, goods, services and capital; and the right of establishment and residence;
- ii. Strengthen, coordinate and regulate the economic and trade relations among the Partner States in order to promote accelerated, harmonious and balanced development within the Community;



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- iii. Sustain the expansion and integration of economic activities within the Community, the benefit of which shall be equitably distributed among the Partner States;
- iv. Promote common understanding and cooperation among the nationals of the Partner States for their economic and social development; and
- v. Enhance research and technological advancement to accelerate economic and social development

4. What are the principles that guide the EAC Common Market?

The EAC Common Market is guided by the operational principles of the Community, namely:

- i. Non-discrimination of nationals of other Partner States on grounds of nationality;
- ii. Equal treatment to nationals of other Partner States;
- iii. Transparency in matters concerning the other Partner States; and sharing information for the smooth implementation of the Protocol.

5. What exactly is in the EAC Common Market? (Freedoms & Rights for the citizens)

The EAC Common Market guarantees and codifies the following:

- i. Free movement of goods
- ii. Free movement of persons
- iii. Free movement of labour
- iv. Free movement of capital
- v. Free movement of services
- vi. Right of establishment and
- vii. Right of residence

within and across the five EAC Partner States.

Important to note though, is that these rights and freedoms are subject to security exceptions as well as exceptions related to public policy.

6. What are the benefits of the EAC Common Market?

The EAC Common Market presents immense opportunities to the people of East Africa. Key among them are;

- i. The EAC Common Market provides a “single” and bigger market than the domestic market for goods and services
- ii. Allows specialisation and efficiency in resource use
- iii. The Common Market widens and deepens cooperation among the five Partner States in economic and social fields, and ensures the achievement of a single market without internal restrictions (Tariffs and Non-Tariff Barriers) to trade, thus greater benefits to the business community and consumers.
- iv. The Common Market also ensures the free play of market forces, increases economic efficiency, widens consumer choices of products and enhances the region’s competitiveness in global markets
- v. The Common Market leads to increased production and provides opportunities to harness resources

7. Were stakeholders consulted before the establishment of the EAC Common Market?

Yes; Uganda’s engagement in the negotiations that led to the establishment of the Common Market was based on stakeholder input. The following stakeholders were consulted through, *inter alia*, workshops, meetings and the various studies that were carried out:

- i. Public sector Agencies
- ii. Private Sector Associations
- iii. Civil Society Organisations/NGOs
- iv. Inter-Institutional Trade Committee (IITC)



The Private Sector was a member of the High Level Task Force that negotiated the Common Market.

8. Does an EAC citizen still need a work permit to work in another EAC Partner State?

Yes; the Common Market Protocol provides for work permits as a requirement for working in another Partner State, except in cases where a Partner State has waived the requirement for East African citizens. Workers will continue to enter Partner States by presenting their passports or national identification documentation at the point of entry, declaring the usual information and providing a contract of employment. For jobs that are to last less than 90 days, workers will need a Special Pass and for jobs lasting longer than 90 days, a work permit shall be required.

9. Are all workers eligible to move within the Partner States under the Common Market?

Not all categories of workers are eligible to move under the Common Market arrangement. The movement of workers is governed by Annex II of the Protocol (Free Movement of Workers) which lists the different types of occupations that are eligible to move into different countries. The lists of workers are long and are different for each country; so workers will need to find out either by looking at the relevant section of the Protocol or by contacting relevant Government Agencies such as the Ministry of Tourism Trade and Industry (MTTI) or the Ministry for EAC Affairs for further information.

10. Are workers allowed to move with their families (spouses & children) within the Partner States?

An EAC citizen moving into another Partner State (e.g. for work) shall have a right to move with his/her family, that is spouse, children and any dependants. A spouse who accompanies the worker shall be entitled to be employed as a worker or to engage in any economic activity as a self-employed person in the territory of that Partner State. A child who accompanies the worker shall be entitled to be employed as a worker or to engage in any economic activity as a self employed person in the territory of that Partner State subject to the age limits under the national laws of that Partner State. The freedom is also extended to dependants of the worker.

11. (a) With the EAC Common Market, why do we still have regulatory agencies such as URA or Immigration at the borders?

The Common Market defines and grants freedoms and rights to EAC citizens, but these are subject to limitations imposed by laws and regulatory regimes which are yet to be harmonised. These rights and freedoms are only available to EAC citizens, implying that someone has to be at the border to ensure that the rights and freedoms of EAC citizens are not freely enjoyed by non-EAC citizens, or goods and services not originating from the EAC. The presence of these Agencies at the borders is meant to ensure that the EAC citizens benefit more from the EAC Common Market by ensuring that non-EAC goods and services or citizens do not enjoy the benefits primarily meant for East Africans, and to ensure that national laws and



regulations that are yet to be harmonized within the EAC are adhered to.

11. (b) What are the steps being taken to harmonise the domestic laws, systems and policies in the Partner States?

The Partner States have undertaken to harmonise their national laws and to harmonise their policies and systems. The harmonisation of Partner States' Commercial Laws is one of the first initiatives that have been undertaken, and the process of harmonizing these laws and policies is already going on, with the identification of laws and policies that need harmonization already completed.

12. Does a trader still have to pay taxes on imports from an EAC Partner State?

Yes! Traders still have to pay domestic taxes such as VAT, excise duty and/or withholding tax. Important to note is that under the EAC Common Market, traders are exempted from "Import Duty" for products originating from an EAC Partner State. To benefit from this arrangement however, a trader must produce evidence before customs officials at the time of clearing his/her goods in form of a "Certificate of Origin". Thus, for Ugandan importers importing from any of the other four EAC Partner States, it is essential that you obtain a Certificate of Origin from the Competent Authority of the country you are importing from in order for your imports to attract zero import duty under the EAC integration process. The person/company you are importing from should provide the Certificate of Origin among the documents relating to the transaction

that they provide you with. Similarly, for Ugandan exporters to any of the other four EAC Partner States, they should obtain a Certificate of Origin in order for their exports to attract zero import duty in the country of exportation, thus making the exports more competitive than those from other sources outside EAC.

Please note that in cases where the 'origin criteria' is not met, import duty will have to be paid. For more information on origin criteria, contact Uganda Revenue Authority or Ministry of Tourism, Trade and Industry.

13. Where does one get a Certificate of Origin in Uganda?

Uganda Export Promotion Board (UEPB) is mandated by the Ministry of Tourism, Trade and Industry to issue the Certificate of Origin. UEPB is located on the 5th Floor – Conrad Plaza, Plot 22 Entebbe Road, P.O Box 5045, Kampala Uganda. Tel. +256 414 230 250, +256 414 230 233, Fax: +256 414 259 799, Email: uepc@starcom.co.ug. The Ministry of Tourism, Trade and Industry is currently exploring the possibility of having issuance of the Certificates decentralized so that exporters do not have to first travel to Kampala to get the Certificates.

14. How does a Ugandan registered business set up a branch in another EAC Partner State?

You are allowed to register a business in any of the other Partner States (host country) by complying with the laws that apply to nationals of that state. You will not be discriminated against – you will be treated like the locals. Information on requirements



for registration by Partner State is available and can be accessed on www.mtti.go.ug.

15. Does a Ugandan citizen have a right of residence in another EAC Partner State under the Common Market? And are there any rights or limitations on residence under the Common Market?

As a Ugandan, you have a right of residence in any of the other Partner States for purposes of taking up and pursuing economic activities as a self employed person, setting up and managing economic undertakings, or taking up either formal or informal employment, subject to the national laws and administrative procedures governing the employment of workers of the host State, and subject to public policy, security and health considerations of the host State.

16. Does the Common Market cover the services area?

Yes, the Common Market guarantees the free movement of services supplied by nationals of Partner States within the Community. There are about eleven service sectors but so far not all of them have been committed under the EAC Common Market. The services that have been committed include; Business and Professional services, Communication services, Tourism services, Financial services, Education services, Transport services, and Distribution services. Commitments by Partner States are not uniform in all sub-sectors and opening is progressive. Players interested in the sector are encouraged to study the relevant annexes to the Protocol or seek further information from the Ministry of Tourism, Trade

and Industry as well as other relevant Government Agencies.

17. How is access to, and use of land and premises catered for under the EAC Common Market?

Access to and use of land and premises shall be governed by the national policies and laws of the Partner States. Thus, regarding land the status quo remains even with the Common Market.

18. How will the academic and professional qualifications be mutually recognized and harmonized?

Partner States undertake to;

(a) mutually recognise the academic and professional qualifications granted, experience obtained, requirements met, licences or certifications granted in other Partner States; and

(b) Harmonise their curricula, examinations, standards, certification and accreditation of educational and training institutions.

The implementation of this Article is in accordance with Annexes to be concluded by the Partner States. With this harmonization, service providers such as professionals will be able to provide their services across all Partner States without being subjected to further examination.



19. When will the use of a Common Currency in the EAC Common Market start?

The use of a Common Currency shall only materialise at the next stage of integration, that is, after the establishment of a Monetary Union. The process of negotiating the Monetary Union has already started.

20. Is the EAC Common Market for Professionals only?

No, the Common Market is open to all persons, both in the formal and informal sector. One has to only comply with legal requirements in the exercise of their freedoms and rights granted by the Common Market.

21. What is the established procedure of handling/reporting and eliminating Non Tariff Barriers (NTBs) to trade?

The Partner States have established a Non-Tariff Barrier Monitoring Mechanism; with the mechanism manifested through the National Monitoring Committee housed at the Ministry of Tourism, Trade and Industry (Tel. 0414 314253), with the private sector co-chairing the Committee. The Committee has developed and disseminated an NTB Monitoring Form, and provided NTB collection boxes at major border points. These forms are collected regularly and through the mechanism the Committee follows up with the concerned country to have the NTB removed. The private sector is encouraged to use this mechanism to report the NTBs they face so that they are followed up.

22. Who provides Standards on goods for export in the EAC

Common Market and other Countries?

Each Partner State has a Bureau of Standards from where information on standards may be accessed. The Partner States are currently harmonizing their national standards For Ugandan goods, Uganda National Bureau of Standards (UNBS) under the Ministry of Tourism, Trade is the competent authority on standards The UNBS is located on Plot M217 Nakawa Industrial Area, P.O Box 6329, Kampala, Tel. +256 414 505995, email: info@unbs.go.ug, and has regional offices in Jinja, Mbale, Lira and Mbarara. The business community and general public are encouraged to contact the UNBS for more information on Standards and compliance thereto.

23. Where can one find more information on the EAC Common Market?

Information may be obtained from the Ministry of Tourism, Trade and Industry at the physical address given below (or www.mtti.go.ug) and the Ministry of East African Community Affairs – Postel Building (or www.meaca.go.ug). For other sectoral specific information, you are encouraged to visit the respective institutions.





CONTACTS:

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