

On the basis of these studies and their recommendations, as modified by the technical experts from member States, the COMESA Council of Ministers made the following decisions:

i) on the Common Tariff Nomenclature (CTN), Council decided, in November 1999, that all member States should adopt the HS 1996 version.

(Reference: Report of the 7th Meeting of the COMESA Council of Ministers, paragraph 104, May 1999).

ii) on a valuation method, Council decided that member States should adopt the GATT Valuation System and urged all member States to adopt the GATT valuation System by 2001.

(Reference: Report of the 7th Meeting of the COMESA Council of Ministers, paragraph 83, May 1999; Report of the 8th Meeting of the COMESA Council of Ministers, paragraph 160, November 1999).

iii) on revenue collection, Council considered the options presented by the consultants in their report and decided that ...[under the customs union], member States [would] continue collecting import duties at the port of final entry into the consuming State as at present”.

Therefore, neither a common revenue pool nor a revenue-sharing arrangement is envisaged under the COMESA Customs Union for the time being until conditions conducive for free circulation of goods have been established.

(Reference: Report of the 8th Meeting of the COMESA Council of Ministers, paragraph 172-173, November 1999).

iv) on the date of Customs Union, Council, in November 1999, reiterated Treaty provisions and

the need for COMESA to transform into a Customs Union by 2004. Council urged all member States to ensure they belonged to the Customs Union on the due date.

Reference: Report of the 8th Meeting of the COMESA Council of Ministers, paragraph 153, November 1999.

v) In May 2005 Council postponed the Launch of the Customs Union to December 2008:

- For the Customs procedures and legislation with regard to customs procedures and legislation, a draft Customs Union Management Act has been negotiated and drafted and now awaits adoption by Council

- Similarly, to ensure fair competition and address dumping in a Customs Union, regional competition regulations and rules have also been adopted by Council. As a Customs Union is a single customs territory, classic anti-dumping measures are not feasible. Instead, predatory pricing and other unfair business and/or trading practices are easily addressed through competition law.

- Revenue and industry competitiveness analysis and simulations of the impact of the CET 3-band structure = (0%, 10%, & 25%) have been conducted for various member States by the Secretariat and by stakeholders in a limited number of countries and the CET structure which was adopted by Council in May 2007 is now the basis for allocating duty rates to products along HS tariff lines and the identification of sensitive products.