



## 2018 Annual Conference Report

tralac held its 2018 Annual Conference from 22 to 23 March in Kigali, Rwanda under the theme ***The African Continental Free Trade Area (AfCFTA) – Opportunity for Africa***. The Conference was held following the Extra-Ordinary Summit of African Union Heads of State and Government on 21 March in Kigali, which launched the AfCFTA. The tralac Conference provided representatives from the African Union Commission (AUC), African Regional Economic Communities (RECs), governments, private sector, and trade policymakers/negotiators with a valuable forum to discuss and debate the AfCFTA.

George Lipimile, Chair of the tralac board and CEO of the COMESA Competition Commission, welcomed all participants to the Conference. In his opening remarks, George expressed his and tralac's enthusiasm for the just-launched AfCFTA. He highlighted the significant role that tralac has played in partnership with the AUC Department of Trade and Industry on the African trade and integration agenda, and specifically on establishing the AfCFTA. He further pronounced tralac's commitment to support the ongoing work for phase 1 of the AfCFTA negotiations and phase 2 negotiations of the AfCFTA.

H.E. Albert Muchanga, AUC Commissioner for Trade and Industry, delivered the key note address. He reiterated and applauded tralac's fundamental work in the negotiations of AfCFTA. The Commissioner revealed that the signing of AfCFTA legal texts by 80 percent of the member states at the AU Summit was an historic moment that exceeded expectations. He stressed that 'creating one market unleashes huge economies of scale which offer an equally huge incentive for business to locate in Africa'. The AfCFTA has opened opportunities for continuous engagement between the public and private sector, he added. The Commissioner reminded the audience that trade agreements are not self-executing; that is, the opportunities offered by the AfCFTA will not be realised unless and until the agreements are implemented. He further uttered that the onus is upon member states to implement the AfCFTA legal instruments, and to sensitise all stakeholders in their jurisdictions on the benefits of the AfCFTA.

Treasure Maphanga, AUC Director for Trade and Industry and Prudence Sebahizi, AUC Chief Technical Advisor for the AfCFTA gave an update and way forward for the AfCFTA. Treasure and Prudence updated the audience on the AfCFTA legal text, what has been achieved thus far, and what is still outstanding. They gave some real insights into the negotiation process and the next steps – including the important and practical issues about the architecture of the AfCFTA Agreement as well as the nature and role of the



institutions of the AfCFTA. Treasure and Prudence also discussed the work post-AfCFTA launch including: additional signatures and ratifications; built-in Agenda; transitional implementation work programme (which will look at the implementation and practical application of the tariff liberalisation modality on the designation of sensitive products and the exclusion list, and the implementation and practical application of services modality on choice of priority sectors); the work programme on the Action Plan for Boosting Intra-African Trade; and the AfCFTA phase 2 negotiations on competition, investment and intellectual property rights.

Trudi Hartzenberg, Executive Director of tralac, and Janvier Nkurunziza from the United Nations Conference on Trade and Development talked about the AfCFTA in a global trade governance context and supporting Africa's global integration. Trudi reminded the audience that Africa does not trade in isolation and it sits in a globalised market. She argued that, in the global market, Africa often sits at the bottom of the value chains. Hence the AfCFTA should not be looked as an inward looking or protectionist strategy but rather a strategy to develop economies of scale to trade better in the global market. Janvier exposed that most African countries are commodity dependent. He warned that relying on commodities is not a winning strategy. Hence there is a need to shift the structure of economies on the continent.

Gerhard Erasmus, tralac founder and associate, Inye Briggs of the African Development Bank, and Wamkele Mene from the South African Department of Trade and Industry discussed the implementation matters for the AfCFTA. Gerhard asked and discussed many legal and technical questions pertaining to the legal personality of the AfCFTA, the independence of the AfCFTA Secretariat, and single undertaking status of the AfCFTA legal instruments. He also deliberated on the implications of variable geometry, domestication, ratification, and trade in services obligations on the implementation of the AfCFTA. Gerhard emphasised the importance of legal instruments in ensuring certainty and predictability in trading arrangements. Wamkele indicated that the dispute resolution mechanism of the AfCFTA has been drafted narrowly to limit the jurisdictions of national and regional courts. He stressed that South Africa did not sign the AfCFTA Agreement during the AU Summit due to technical and constitutional reasons not economic or political reasons. He told the audience that South Africa intends to sign the Agreement sooner than later. Inye stressed that trade facilitation is crucial for reducing trade costs and it creates fairer trade. He disclosed that African farmers only receive 20 to 25 percent of the final price of goods, while in Asia it is around 70-80 percent.

Geoffrey Osoro of the EAC Secretariat and Gbenga Obideyi from the ECOWAS Secretariat deliberated on managing the AfCFTA, Tripartite Free Trade Area (TFTA) and RECs. The panel agreed that the RECs are building blocks for the AfCFTA; RECs are the seeds that have germinated into the big AfCFTA tree. They professed that their RECs stand ready and willing to support the AfCFTA. They also avowed that their RECs have much practical experience to share for the success and implementation of the AfCFTA.

During the Gala Dinner, the Honourable Justice Bernard Georges, Judge to the COMESA Court of Justice was the guest speaker. He spoke about the role of the regional courts in the enforcement of the trade agreements, and in forging regional integration. In particular, he discussed how regional trade-related obligations have been enforced differently in the SADC and COMESA regions.

After dinner, there were various poster presentations on selected trade-related developments. [The poster presentations are available here.](#)

On Day 2, Ashly Hope, tralac research coordinator, recapped Day 1 discussions and engagements. She iterated three key themes that emerged from the discussions. First, the optimism towards the African integration project. Second, the desire to embrace and exploit the opportunity that the AfCFTA brings,

accompanied by the clear possibility that the potential of this historic agreement will not be realised unless implemented. Third and final, the vast amount of work that still needs to be done post-AfCFTA launch. Day 2 had two panel discussions.

The first panel included Ndiitah Nghipondoka Robiati of Namibia Trade Forum, Reginald Selelo from Botswana Investment and Trade Centre, Job Wanjohi Muriithi from Kenya Manufacturers' Association, and Daniel Machemba of Tanzania Chamber of Commerce and Industry. The panel discussed how the AfCFTA will work for business. Ndiitah emphasised the importance of private sector and government dialogue in the AfCFTA process. She urged that governments must get insights from the private sector to have a greater understanding of what is happening on the ground with regard to business. Ndiitah further encouraged the need to engage the informal sector so that they harness the AfCFTA opportunities. Reginald revealed numerous opportunities available for the private sector in the AfCFTA. He declared the private sector's willingness to harness these opportunities but said the private sector want the AfCFTA legal instruments to establish certain and predictable rules. Job repeated that the successes of some RECs (e.g. EAC, COMESA, and ECOWAS) are a good recipe for a successful AfCFTA. He urges that the AfCFTA must learn from these RECs. He warned that non-implementation of trade agreements frustrates the private sector. Daniel called on the private sector to walk the talk and take action to support the AfCFTA.

The second panel consisting of Carol Muumbi of Horticultural Crops Directorate, Kenya and Loide Uushona of ProQuest Diagnostic Laboratories, Namibia discussed how the AfCFTA must work on for women and youth. Loide shared the challenges for services sector start-up – regulatory delays, funding challenges, and incumbent advantages. Carol shared that access to finance is one of the barriers to entry in business for women across Africa. Loide and Carol expressed their hope that the AfCFTA will go some way to addressing these challenges.

In closing remarks, Trudi reminded the audience of the way forward in the AfCFTA: transitional work programme, ongoing negotiations to complete the phase 1 of the AfCFTA and the negotiations of the phase 2 of the AfCFTA on competition, investment and intellectual property rights. She invited from the audience suggestions for tralac agenda for the post-launch AfCFTA. Below are some of the suggestions:

- Capacity building of member states
- AUC and tralac collaboration
- Providing a forum for phase 2 negotiations
- Linkage between access to trade finance and trade facilitation
- Public-private partnerships for AfCFTA
- Provide a detailed profile of AfCFTA for the private sector
- Intra-trade credit risk
- Disseminate AfCFTA information for all stakeholders
- Development of AfCFTA value chains
- Avoiding pitfalls of operationalising the AfCFTA