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tralac Annual Conference 2019 Report

tralac's Annual Conference was held in Nairobi on 21 and 22 March 2019. More than 100 policy makers, traders and other professionals from across the continent participated in discussions on the theme: Africa's Integration Agenda – from Aspirations to Pragmatic Implementation. tralac also co-hosted, with Kenya's Export Promotion Council, a workshop on 'Current and emerging trade issues in Kenya' in advance of the Conference (see the [workshop report](#) ↓).

The packed Conference agenda provided a wealth of information and generated informed and engaging discussion among participants.

Key themes to emerge from the Conference were:

- The importance of reading and understanding the AfCFTA (and other trade agreement) texts as agreed and considering the impact this would have on the implementation and enforcement of the Agreement.
- The opportunity and value in taking new approaches in Africa and at the global level – including on industrial development, special and differential treatment and institutional arrangements for trade governance, especially in the context of global uncertainty.
- The need to consider distributional issues as a fundamental part of the trade policy for development narrative, including integrating women, youth, the LGBTQI community, providing flexibilities and support for lesser developed parts of the continent and ensuring the integrity of the revenue base.

tralac Board Chair, Mr George Lipimile, welcomed participants, noting that the African Continental Free Trade Area (AfCFTA) is a milestone towards Africa's broader economic integration and development strategy at a challenging time in global trade governance.

Ms Beatrice Chaytor, Senior Expert at the African Union Trade and Industry Department, delivered the opening address on behalf of the African Union's Director for Trade and Industry, Ms Treasure Maphanga, putting the AfCFTA in its historical and institutional context and highlighting the steps and challenges towards implementation of the agreement.

Discussions opened by highlighting that the AfCFTA is a bold and very important initiative for Africa, but that Africa's track record on implementation of its regional agreements is not impressive. Implementation is primarily the responsibility of member states, as they give effect to the commitments and obligations they have undertaken. The private sector keenly awaits the new opportunities associated with the AfCFTA. Participants discussed the impending entry

into force of the agreement, noting that only what is completed would enter into force following the 22nd ratification and that many critical issues including tariff schedules and rules of origin were outstanding.

African Union officials provided an update on progress on the AfCFTA:

- Entry into force would be 30 days after the deposit of the 22nd instrument of ratification. At the time of the Conference, 21 ratifications were complete¹, and 15 instruments had been deposited. There was a hope that the AfCFTA could enter into force following the July summit of the African Union.
- Nigeria has not yet signed the AfCFTA but is now engaged in the negotiations and there is an expectation that the country could sign the AfCFTA before it enters into force. This, according to officials would mean that Nigeria would not have to acceded to the AfCFTA. Officials noted that all African Union states are entitled to participate in the process until entry into force. Others will accede after entry into force. Accession rules are not yet finalised.
- All member states (or customs unions) are to submit tariff offers by the July 2019 summit. If regional economic communities (RECs) can and wish to provide a harmonised tariff offer, this will be supported.
- Schedules of commitments on the priority services sectors are to be finalised by January 2020.
- Investment, competition and intellectual property ('Phase II' issues) protocols will be submitted to the January 2021 summit.

Sessions focused on the legal and institutional arrangements for the AfCFTA, the importance of trade facilitation and the role the AfCFTA can play in the industrialisation agenda.

Gerhard Erasmus, tralac Associate, gave an outline of the legal and institutional arrangements for the AfCFTA, noting that the success of the integration project would depend to a large degree on how both the supranational and national institutions, including for dispute settlement were designed and implemented. Prof. Erasmus encouraged all participants to closely monitor the implementation. Beatrice Chaytor provided an overview of the nature and functions of the AfCFTA Secretariat and outlined the process for its establishment, noting that all offers to host the Secretariat had to be submitted by 20 March 2019. Brian Mureverwi, African Union Department of Trade and Industry provided an overview of the Africa Trade Observatory – which will provide data and related data and information crucial to the development of evidence-based trade policy.

Frank Matseart of Trademark East Africa shared some success stories in practical trade facilitation, observing that many of the opportunities of the AfCFTA will not be realisable unless some of the problems of moving goods across borders can be resolved. Michael Lawrence of South Africa's National Clothing Retail Federation and tralac associate, spoke about the importance of value chains on the continent, and noted that industrial development may well

¹ On 2 April 2019, The Gambia became the 22nd country to receive parliamentary approval for ratification.

bring the loss of some industries. He encouraged work on adaptation and embracing the opportunities of the service industry and the fourth industrial revolution. Mr Lawrence also emphasised the importance of making the system work for traders.

Patrick Low of the University of Hong Kong provided an insightful presentation on new industrial development approaches for Africa emphasising the importance of services and services value chains. Prof. Low suggested that for modern industrial policy, horizontal and enabling policies were essential, as was policy consistency and good governance. When it comes to targeted industrial policy, subsidies are preferable to trade restrictions, clear and measurable goals and letting the losers go was more important than being absolutely sure that the best winners were picked. On services, Prof Low shared some mapping of the services value chain, pointing out that much of the value of goods are actually from related or input services.

The tralac Gala Dinner was held following day one the Conference, creating an opportunity for networking among participants. Ms Florie Liser, President of the Corporate Council for Africa delivered a keynote address highlighting the importance of the relationship between Africa and the United States and discussing the post-AGOA agenda.

Day two began with a reflection on the current state of multilateralism. Prof. Erasmus gave an overview of the state of play for Brexit and the implications for Africa. Prof. Low discussed the crisis in the World Trade Organisation, and focused special and differential treatment, highlighting the value and challenges – both political and practical of the flexible definition of ‘developing country.’ He suggested that the approach in the Trade Facilitation Agreement, and critical mass agreements such as the Information Technology Agreement may be the way forward for multilateral governance.

In a session on role of data for understanding trade and financial flows, Melvin Ayogu, University of Cape Town shared his research on illicit financial flows, noting that some of the most important channels for illicit financial flows are the trade channels and often this is expressly allowed by the statistical reporting rules. Paul Oluikpe of the Central Bank of Nigeria presented on the role of the Central Bank in regulating capital flows, and some steps it is taking to enable trade, including licensing money transfer operators and streamlining documents.

tralac also launched its [Women in Trade Governance Network](#)  at the Conference. Three champions of women in trade governance – Justice Kasango of the COMESA Court of Justice, Beatrice Chaytor of the African Union Commission and Maria Immanuel from the Namibian President’s Office – joined Trudi Hartzenberg to launch the network. Justice Kasango reflected on the legal and enforcement barriers to women’s economic advancement, Ms Immanuel discussed the importance of including youth and women advocating for women and Ms Chaytor shared the African Union’s work on women in trade and her experience as a trade negotiator.

The Conference concluded with a series of digital poster presentations from tralac alumni. In a first for tralac, and as a step towards our goal to be a paperless organisation, posters were not printed, but rather loaded on participants smartphones by scanning QR codes. Poster presentations covered investment facilitation, trade data challenges, women in governance and trade, SMEs and the AfCFTA, export potential of the EAC and trade facilitation in west and central Africa.