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**Creating One African Market**

**Key Note Address**

**By**

**Commissioner for Trade and Industry**

**Albert Muchanga**

**Delivered at the**

**2020 Tralac Annual Conference**

I greet each and every one of you.

I would like to begin by thanking tralac for the opportunity accorded to me to deliver the keynote address at your 2020 Annual Conference which you are holding under the theme: Trade Governance on Africa Amidst the COVID-19 Pandemic and other Global Challenges.

Your gracious gesture consolidates the evolving strategic partnership between our two institutions.

This space also gives me an opportunity to speak about the collective vision on the way forward for African integration as we confront the COVID-19 Pandemic. I sure other views will be expressed on this critical issue over the next two days.

This tralac Annual Conference is a first of its kind.

It is a virtual event.

This serves as a reminder of the difficult times we are living in.

**COVID-19** has adversely affected the whole world, and has not spared Africa. The bad news is that the **COVID-19 Pandemic** is not yet over. For as long as there no vaccine, it will remain a daily existential threat to each and every human being on this planet.

For policy makers, it will take time to analyze all its implications for individual Governments, as well as for the whole of Africa.

However, certain lessons can already be learned. We can also try to identify new challenges when it comes to the question of how Africa will to respond to future pandemics and disasters, including those that will be brought about by climate change and the displacement of people.

The first fact to be recognized is that we are all in the same boat.

The size of the engine of the boat might differ, but we cannot

finally conquer this enemy through our own devices and via national responses only. Not even the biggest and strongest economies are immune against the vulnerabilities brought about by the realities of an interdependent global economy. This virus does not recognize national jurisdiction nor border controls. In this state of affairs, we either swim together or sink together if the boat capsizes.

A second lesson can be learned from how governments all over the world initially responded, and how new policies have been designed to ensure more effective and joint answers.

In the beginning, practically all governments invoked national emergency powers, closed borders, announced lock-down measures and restricted trade in essential equipment and medicines.

A recent report by the World Trade Organization Secretariat shows how WTO members have used trade measures to expedite access to critical medical goods and services as part of their responses to the COVID-19 pandemic. Trade has hence played a critical role in improving access to essential medical goods and services since the start of the pandemic.

The shortages of medical personal protective equipment (PPEs) encountered around the world in the early phase of the pandemic have eased somewhat, as production and trade have expanded to meet the unparalleled spike in demand.

Initial data from the WTO Secretariat, for 41 countries indicates that trade in medical goods grew by 38.7 per cent in the first half of 2020, although sourcing of certain products remains a challenge for some developing countries.

In addition, the report describes a wide range of trade-related measures members have employed, from temporary reductions or deferrals of duties, taxes and charges on COVID-19 critical medical supplies to simplified customs procedures and border clearance measures.

The WTO report further looks at intellectual property-related measures that members have used to facilitate innovation in, and access to, COVID-19 related technologies, such as the use of compulsory or government-use licences, efforts to foster access to relevant patent databases, and steps to make it easier to exchange clinical trial data. In addition to the foregoing, the report examines how WTO members have acted to facilitate telemedicine and the international movement of health workers.

There are lessons for us too.

One of them is about national public health care. Another is that regional structures such as the secretariats of Regional Economic Communities can play vital roles in designing guidelines and procedures for joint responses and harmonized border control measures.

In times of continental disasters, we need not only the spirit of solidarity but also the practical demonstration of how regional integration arrangements must be used to facilitate joint responses.

Let me now to African Continental Integration.

As the first phase negotiations to conclude the **African Continental Free Trade Area** come toward conclusion, we will have to take note of the fact that the world and the African continent are increasingly inter-dependent. In addition, faster recovery of African economies will be facilitated by start of trading under the African Continental Free Trade Area.

The aim behind the AfCFTA is to boost intra-African trade. This is an ambitious and necessary undertaking. Therefore, our focus is on ensuring that this trade arrangement, which goes beyond the traditional emphasis on trade in goods, is fit for the purpose.

In this respect, we have designed it in such a manner that it provides an adequate framework for meeting all the major trade and development challenges that will face the continent, including those that will require joint responses. Climate change, environmental disasters and refugees fall in this category.

We are in the final stages of **concluding the outstanding negotiations** in order to commence with trade in goods and services under the preferential trading rules of the AfCFTA legal instruments.



**The COVID-19 Pandemic** disrupted earlier plans and schedules for meetings of Chief Negotiators, Senior Trade officials and Ministers but we have nevertheless made considerable progress using the virtual platform. Our target is that trade in goods and services under the AfCFTA rules start on 1<sup>st</sup> January, 2021, preceded by an Extraordinary Summit on 5<sup>th</sup> December, 2020.

The success of the AfCFTA depends on the proper implementation of the commitments undertaken by the State-Parties. Domestic preparedness and follow-up action will be critical in this regard.

And some of our State-Parties will need technical assistance to ensure that the intended benefits materialize, and that trade will be regulated in a rules-based and transparent manner.

The achievement of the AfCFTA goals involves the utilization of the Regional Economic Communities to serve as the building

blocks of the AfCFTA, as provided for in Article 5 of the AfCFTA Agreement. These are also building blocks of the African Economic Community.

To this end, we have constructed new arrangements and mechanisms for how this will be done optimally.

Under the African Union institutional reform process, we have proposed a draft Framework of Collaboration among the African Union Commission, Secretariat of the AfCFTA as well as the Secretariats of the Regional Economic Communities. The draft has been shared with all these partners.

The Framework of Collaboration, when adopted, will facilitate synergy by overcoming overlaps and duplication and in the process, promote efficiency in advancing the agenda of African economic integration. It will also promote transparency, which is critical to building trust among the collaborating partners.

The **negotiations phases** of the AfCFTA will progressively expand as we deepen continental economic integration

During 2020, the negotiations the **Phase II Protocols** of the AfCFTA will be undertaken and this phase relates to Investment, Competition Policy and Intellectual Property Rights.

As part of progressive deepening of our integration, the 2020 Assembly Session gave us a mandate to begin **Phase III** negotiations of a **Protocol on Digital Trade and E-Commerce** as soon as we finish the second phase negotiations.

We are aware of the challenges ahead. Trade can be a driver of growth, sustainable development and poverty reduction. But rather than automatic, the process requires trade policies that are dynamic, inclusive and responsive to constantly changing national,

regional and global contexts. Above all, these must be effectively implemented with win-win outcomes.

**Trade facilitation** remains one of our biggest challenges on the African continent. One of the legal instruments of the AfCFTA deals with trade facilitation; another one with Non-Tariff Barriers. I notice that during this tralac Annual Conference, you will have a panel discussion on the difficulties being experienced by freight forwarders and firms doing business across African borders. This is clearly a matter to be prioritized. When doing so we have to recognize essential features of border administration; such as the fact that they fall squarely under national jurisdiction. The sovereignty of states come into play, but, this notwithstanding, the effective implementation of the AfCFTA legal instruments is a matter of top priority. Transit trade is one of the areas of collaboration in the Draft Framework of Collaboration I talked about earlier.

I had a fruitful meeting with members of the Permanent Representatives Committee this morning on the status of regional economic integration in Africa.

Among my key messages were that Africa's development trajectory lies in leveraging regional and continental economic integration because it expands our development policy space. My other message was that if we effectively implement legal instruments, policies, strategies and programs of regional and continental economic integration, we shall be better placed to overcome our underdevelopment trap which makes us lag behind in development and in overcoming it, create conditions for catching up in the global development process. These are the messages that I also leave with you as you go through your Annual Conference.

I will end here, wish you success in your deliberations and look forward to reading your outcome document.

**I also thank you all for your kind attention.**