

Opening Remarks by the Chairperson, Dr. George K. Lipimile, at 2021 tralac Annual Conference

1. H.E. Ambassador Albert Muchanga, the African Union Commissioner for Economic Development, Trade, Industry and Mining
2. Board Members, Associates, and Affiliates of tralac
3. The Executive Director of tralac, Ms. Trudi Hartzenberg
4. Our Cooperating Partners and Members of the Diplomatic Corps
5. The Research and Academic institutions following and participating in our deliberations

**Distinguished Participants, Ladies and Gentlemen**

Good morning and welcome to the 2021 tralac Annual Conference. We meet virtually again this year, as we continue to adjust to the “new normal” caused by the COVID-19 crisis. The virus is now among the most serious global health crises in history. The fight against COVID-19 has generated significant setbacks for African economies, in terms of lost productivity and trade both within and among countries.

Importantly, the pandemic has put a brake to the implementation of the African Continental Free Trade Area, at a time when harmonisation could not be more important to combat the virus. It has further brought attention once again to Africa’s heavy dependence on imports in most sectors, including the healthcare sector, as supply chain disruptions continue.

**Distinguished delegates,**

The implications of this pandemic for the Public Health sector in Africa and regional economic integration will figure prominently on the agenda of this Conference. They deserve our urgent attention. COVID-19 is said to have originated in China, and quickly spread to the rest of the world, blind to the man-made notion of national borders and jurisdictional rules.

**Ladies and Gentlemen,**

This demonstrates how important global efforts are in defeating this and other worldwide scourges. We cannot prosper in isolation, and we cannot survive in isolation. This applies to all nations, but more so to those on our Continent, where the large majority of Least Developed Countries are found.

We are not, for example, able to develop production facilities in the short run to manufacture the vaccines and other emergency equipment so urgently required in the battle against this pandemic.

And once it is defeated, we will have to tackle its devastating effects on our societies and economies whilst coping with ongoing challenges, such as climate change, the disruption of agricultural production, and risks for food security.

It is evident that we must rethink our approach to these matters and, as a matter of urgency, develop procedures for new and appropriate responses and action. Our researchers and think tanks, tralac included, must prioritize these new issues. This is one of the reasons why this year's Conference agenda includes public health and related issues. This should not be a once-off. Let us start dedicated research and training programmes around these matters. This tralac Conference will hopefully generate ideas and insights for designing more comprehensive work to be undertaken. Let us join hands in doing so.

### **Distinguished Delegates,**

At tralac, we consider the African Continental Free Trade Area a crucial development for the future of Africa. Tralac launched its first studies and the monitoring of the African Continental Free Trade Area in 2014, before the actual negotiations started. Since that time, we have kept abreast of the developments; presented many training workshops; analyzed the various legal instruments; and we have published numerous research papers about aspects of this important initiative.

The African Continental Free Trade Area can bring crucial trade governance improvements to our continent if properly designed and implemented. But it has been an uphill battle to get things finalized. The essential aspects of this Free Trade Area including tariff schedules, Rules of Origin, and conditions for regulating trade are still outstanding. This is however not surprising. When 54 States at different levels of

economic development must make tariff concessions and open their domestic markets to foreign competition, it will always be a challenging task.

But that has been part of the very reason for launching the African Continental Free Trade Area; to boost intra-African trade. Less than 20% of the goods produced in Africa are sold in Africa. We have to bite this bullet.

There is concern that this process is running out of steam and businesses and investors may develop fatigue on talks of continental integration. The African Continental Free Trade Area Agreement entered into force on 30 May 2019. Since then, more than one deadline has been missed. The entry into force of an incomplete agreement of this ambitious scale was probably not a good idea. The pressure to maintain forward momentum in order to ratify a complete package has been lost. The simple fact remains that in negotiations of this kind and because the Agreement expressly says this is a single undertaking, nothing is concluded until everything is concluded. That is why the proposal to have an interim trade in goods regime from the beginning of January this year did not get off the ground.

### **Distinguished Participants,**

We cannot talk of the continental market liberalization and integration without acknowledging the need for an effective continental competition policy. Whereas competition features among the key aspects of Phase II of the negotiations under the Agreement, we need to start the preparations for the negotiations leading to the desirable competition law and policy under the African Continental Free Trade Area.

We are fortunate that we have substantial experience of competition law enforcement in the regional economic communities, particularly in COMESA and SADC, which has shown that competition policy has a role to play in fostering inclusion. It is important to acknowledge that competitive markets enhance economic welfare by fostering efficiency in production and commerce. For the varying communities on the continent of Africa, the continental competition policy shall promise lower prices, higher quality, and improved choice for consumers, contributing to further economic growth and development, and increased employment. This poses a good political message for our African countries.

There is a growing concern on the continent that market forces, if left on their own through the anticipated liberalization process, would not produce the desired efficiencies in our national economies. We need rules to govern the behaviour of firms as they engage in intra-Africa trade, so that no country is disadvantaged by being a party to the continental agreement. The competition rules shall safeguard the economic interests of each country in a manner which is fair, without prejudice to the economic standing of the individual Member State.

At the core of the continental agreement, it is the free movement of goods and services across the 54 national states of Africa. This cannot be achieved without the early implementation of an effective law against anticompetitive practices by firms as they penetrate the frontiers of the Member States. Some of the anti-competitive practices include anti-competitive cross-border mergers, international cartels, abuse of dominant positions. For market integration to succeed, it is therefore necessary for the continental agreement to adopt as early as possible common agreed rules to protect the competitive process.

In simple terms, competition policy provides a rule-based mechanism to conduct trade across the African countries. It is concerned with fairness and equal opportunities, both of which are closely linked to inclusiveness. It is for this reason that the need to start preparations for the negotiations for a continental competition framework is necessary at this given time. The competition policy plays a major role as an advocate for trade liberalization envisaged under the continental area. It gives assurance to the Member States that the principles of market liberalization will not endanger their national economies but will promote and strengthen the trade regime among countries.

**Distinguished delegates,**

This Conference shall also discuss matters relating to trade and gender. Over the last few years, some countries such as Sweden, Canada, Luxembourg, and France have started applying a gender lens to trade policy and enforcement decisions. While there has been some progress in advancing women's and girls' rights globally, the road to gender equality is still a long one.

The COVID-19 crisis has disproportionately affected women and girls, for example, since a higher proportion of women work informally and in vulnerable sectors, their job loss rate is estimated to be 1.8 times greater than that of men.

Historically, women have faced barriers in their access to education and capital. Access to capital (human, financial or social) complements participation in markets and, without it, women face limited opportunities. As a consequence of gender biases, when participating in markets, women have experienced inferior outcomes. This poses a threat not only to a fair distribution of resources but also to economic development and inclusive growth.

Gender inequality leads to smaller, less efficient and less competitive markets where talent is misallocated, with women underrepresented or overrepresented as buyers and sellers, and where competition works less efficiently to guarantee optimal consumer welfare.

Discussions under the African Continental Free Trade Area Agreement provides a formidable opportunity to ensuring the contemplated tools and instruments allow women to seize every economic opportunity and motivate existing authorities to review their approach to addressing gender divide in the market.

Article 23 of the continental Agreement further provides for a mechanism to expand the continental design and its content. This provision explains how the Agreement and its various Protocols shall enter into force, and how “*other Instruments within the scope of this Agreement deemed necessary*”, shall do so. It is possible to add additional building blocks to the continental free trade area structure. It is also necessary to do so. This Conference will elaborate on the relevant arguments and the candidates for inclusion; such as public health services.

**Ladies and Gentlemen,**

It is now my great honour to introduce H.E. Ambassador Albert Muchanga, the African Union Commissioner for Economic Development, Trade, Industry and Mining.

Ms Treasure Maphanga, Director at the AeTrade Group will then lead us into the first session which will focus on e-commerce, in particular on the Sokokuu e-Commerce Platform and women's economic empowerment.

**I thank you for your attention and wish you fruitful deliberations.**