

AFRICAN UNION
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Key Note Address

By

Albert Muchanga

**Commissioner for Economic Development, Trade, Tourism
Industry and Minerals**

2022 Tralac Annual Conference

**Chairman of the Tralac Board and other Board
Members;**

Executive Director of Tralac Ms. Trudi,

Colleagues and Participants,

I greet each and every one of you.

Tralac is a friend of the African Union Commission
and the African Union Commission is a friend of
Tralac.

As a result, it has become a tradition that the Commission is invited to the Tralac's Annual Conferences.

We are, as usual, very happy to be in the 2022 Tralac Annual Conference.

This year's annual conference is being held physically, indicative of the subsiding new cases of novel corona virus. I welcome this development.

I very much wanted to be with you in Nairobi, but other pressing commitments outside Africa could not allow me to do so.

A lot has changed since last year's 2021 Annual Conference which placed strong focus on Africa's healthcare sector, access to vaccines, the African Medicines Platform, and training and retention of healthcare professionals on the continent.

We are not yet out the woods with respect to the COVID pandemic. However, we can now resume our activities, normally and physically.

The pandemic reminded us that we need to build our own resilient health and economic systems.

There's no doubt, another new pandemic will confront us in the future. When this occurs, Africa

must stand on her feet and fight it timely and effectively.

It is sad to note that when the COVID pandemic hit us, Africa was importing 90% of her medicines.

In some cases, those that manufactured the vaccines were not willing to sell them to Africa.

Figures show that Africa has achieved 22% of vaccination rates. This is very low when compared to over 80% vaccination of the population in other parts of the world.

Experts tell us that Africa will need more than 5 years to restore economic growth to the pre-COVID growth levels. In 2022, African economic growth is projected to be a full percentage point below the global rate of 4.9%. Weaker global demand for commodities, supply chain disruptions and sanitary measures have constrained Africa's production capacity. However, accelerating Africa's productive transformation is still a policy priority in our economic recovery efforts.

As we forge ahead as a continent, we are confronted with new threats, such as the Russia-Ukraine conflict. We must add to this, the devastating impact of climate change, high food and

energy prices, and the possibility of a global recession.

Tralac has played a pivotal role in regional and continental economic integration. We expect you to continue playing that role as we embark on the technical process of implementing the Agreement and Protocols of the African Continental Free Trade Area. Your services will still be required when we move the African Continental Free Trade Area towards an African Customs Union/Common Market.

Coming back to the strategic issue of productive transformation, let me state that Africa is faced with

a challenge of limited industrialization. It is against this background that the African Union Commission, Regional Economic Communities and Partners have agreed to convene an Extraordinary Session of the Assembly of the African Union Heads of States and Government on Industrialization, Economic Diversification and the AfCFTA ,as well as the Africa Industrialization Week 2022 (AIW2022) during the month of November 2022, under the Theme: **"Industrializing Africa: Renewed commitment towards inclusive and sustainable industrialization and Economic Diversification"**.

The outcome of the Extra-Ordinary Assembly will give a stronger political voice to the our industrialization agenda. We need to fully implement it for several reasons.

The first of which is that we have a ready market, the African Continental Free Trade Area. In this market, demand for manufactured and agro-processed goods in 1.5 times more than the global average.

The second of which is that endowments of minerals, water, water, land, and a young population are all there to support our industrialization drive.

The tasks ahead are to develop industrial skills, promote research and development as well as the Made in Africa standard as our levers and marks of Africa's industrial excellence.

Key to all this will be the development of regional and continental value chains. A recent study by the International Trade Centre indicates that Africa has 415 Regional Value Chains that are ready to be used in production to supply the AfCFTA market with industrial and agro-processed goods.

As I go towards concluding my statement, let me say that several regions and countries around the world would like to have Free Trade Agreements

with Africa. In this connection, we have commissioned a study to assess Africa's readiness to move to a Customs Union/Common Market. The study will inform the African Policy Organs on the way forward in deepening Africa's integration with the Rest of the World based on a Common External Tariff, without which the African Continental Free Trade Area will always face the dangers of trade deflection and consequently, de-industrialization.

The move towards deeper economic integration is in line with the Treaty Establishing the African Economic Community (Abuja Treaty) which was adopted on 3 June 1991 and entered into force on 12 May 1994.

I will conclude by stating that Africa's trade and governance agenda in a changing global order is forward looking and committed to international trade. We are in this respect also commissioning a study, in partnership with the African Export Import Bank on positioning Africa increase her share of global trade anchored on manufactured and agro-processed goods as well as services. In this agenda, Tralac will always be our strategic partner and I am happy you have chosen this topic as your theme for this year.

I will end here thank you all for your kind attention.