

2024 tralac Annual Conference

African Integration: new challenges of responding to economic risk, uncertainty and geopolitics



Concept Note

The 2024 tralac Annual Conference will be held in Lusaka, Zambia, on 16-17 May.

The topics discussed at tralac's annual conferences usually cover, in broad terms, trade and integration-related developments on the African continent, in the Regional Economic Communities (RECs), and in the World Trade Organisation (WTO). Important global events and their implications for Africa are addressed. We also provide feedback on research and studies undertaken by tralac.

Certain themes and issues need to be looked at on a regular basis. We will do so again during this year's tralac Annual Conference. We will discuss the negotiations to complete the legal and institutional aspects of the African Continental Free Trade Area (AfCFTA), developments in selected Regional Economic Communities (RECs), and the jurisprudence of the Courts of Justice in the RECs.

Each Annual Conference has a specific theme, indicating a special topic addressed during the introductory session. The 2024 tralac Annual Conference takes place under the theme, "African Integration – new challenges of responding to economic risk, uncertainty and geopolitics". It will take place in hybrid format.

The first session of this year's annual conference will focus on global developments and their implications for Africa. We'll focus on a review of multilateral trade governance developments, with a contribution on the results of MC13 and the efforts by the WTO Members to adopt legal instruments on new disciplines, on trade and industrialisation, and re-activating the dispute settlement mechanism of the WTO. This has become a difficult exercise and Africa's participation in these deliberations is a complex matter. One of the

reasons relates to the formation of new alliances such as the expanding BRICS and the lingering tensions between the United States and China. The wars in Gaza and Ukraine continue and add to Africa's trade-related and food security problems. Many African states also face additional challenges, such as a debt crisis, severe drought, and other climate-related problems. Political instability has become an issue in several sub-regions. We'll reflect on these matters too.

We will pay special attention to developments in the AfCFTA and will explain why, after about eight years of negotiations, trade under AfCFTA preferences is still not possible. In this context, the Guided Trade Initiative (GTI) merits special attention. More than thirty (30) AfCFTA State Parties are now participating in the initiative, in terms of which select goods can be imported from certain other State Parties under preferential tariff rates. The GTI has its own legal basis; the text of the AfCFTA Agreement does not mention the GTI. We will explain the legal basis of the GTI and discuss its longer-term prospects and the implications of this unique development. One of them relates to the notification of the AfCFTA under GATT rules when a new Free Trade Area is established by certain WTO Member States.

We'll provide updates on the recently adopted Protocols, on Digital Trade and Women and Youth in Trade. They could be instrumental in broadening the scope of participation in cross-border trade by addressing systemic challenges that women and youth entrepreneurs face, and opening new opportunities in the digital economy. In this context we'll have a session on Africa's creative economy to discuss how the AfCFTA can support the development of this sector.

The AfCFTA has also become a framework for discussing Africa's industrialisation agenda. One of the objectives of the AfCFTA is to promote industrial development in Africa. African countries have so far specialised as resource exporters and focus on import-replacing industrialisation. Some African countries have been experiencing premature deindustrialisation since the 1990s. What are the prospects for the AfCFTA to support industrialisation on the continent? To answer this, we need to look at the structure of the offers of tariff concessions, noting especially the exclusion lists. Rules of origin (RoO) need to be examined carefully; overly strict RoO can easily frustrate the prospects of the AfCFTA for boosting intra-Africa trade, and may not support continental value chain development, as some industry experiences in RECs such as SADC have demonstrated. But much more is needed to promote Africa's industrialisation. For the AfCFTA to be a facilitator of trade-led industrialisation, logistics and border challenges must also be resolved. This emphasises the link between trade facilitation and value chain development.

Foreign direct investment is essential for expansion and diversification of productive capacity, especially in Africa's 33 least developed countries (LDCs). This will most likely come from global investors, attracted by the new preferential market access that the AfCFTA offers, and the market development prospects on the continent.

We look forward to seeing you at the 2024 tralac Annual Conference and our joint deliberations.